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**Rajath Finance Ltd.**

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**Annual Report**

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**Financial Year 2022-23**

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## Corporate Information:

### Board of Directors

Hitesh Bagdai  
Managing Director

Bhavdeep Vala  
Executive Director

Gautam Shah  
Additional Director

Jaya Nigam  
Additional Director

Prakash Shah  
Additional Independent Director

Sarat Malik  
Additional Independent Director

Jayna Shah  
Additional Independent Director

CS Dea Vachhani  
Company Secretary &  
Compliance Officer

Anil Rajendran Cheriya  
CFO

### Audit Committee

Jayna Shah, Chairman  
Prakash Shah, Member  
Sarat Malik, Member

### Nomination & Remuneration Committee

Sarat Malik, Chairman  
Jayna Shah, Member  
Prakash Shah, Member

### Stakeholder's Relationship Committee:

Sarat Malik, Chairman  
Jayna Shah, Member  
Prakash Shah, Member

### Risk Management Committee

Prakash Shah, Chairman  
Jayna Shah, Member  
Sarat Malik, Member

### Statutory Auditors

A D Vyas & Co.,  
Chartered Accountants,  
Navin Complex,  
Kotechanagar Main Road,  
Opp. Kotecha Girls High School,  
Rajkot – 360 001,  
Gujarat, India

### Registrars & Share Transfer Agent

LINK INTIME INDIA PVT. LTD.  
05th Floor, 506 To 508,  
Amarnath, Business Centre  
1(ABC-1), Beside Gala,  
Business Centre, Nr St. Xavier's  
College Corner, Off C G Road,  
Elisbridge, Ahmedabad – 380 009  
Tele No. 079 - 26465179  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

Listed on:  
BSE Limited

# NOTICE OF AGM

**Rajath Finance Limited**

**CIN: L65910GJ1984PLC007486**

**Address of Registered Office:**

208 - 215 Star Plaza, Phulchhab Chowk, Rajkot – 360 001 Gujarat,  
India

Phone: 0281 – 2447800/3013344 Fax: 0281-2454271

E-Mail Id: [investorrelationsrajath@hotmail.com](mailto:investorrelationsrajath@hotmail.com) WEB:

[www.rajathfinance.in](http://www.rajathfinance.in)

## NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Saturday, 30<sup>th</sup> September, 2023 at 03:00 p.m. at the Registered Office of the Company situated at 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001, Gujarat, India to transact the following businesses:

❖ Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the yearended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Bhavdeep Vajubhai Vala [DIN: 00153775], who retires by rotation and, being eligible, offers himself for re-appointment.

❖ Special Business:

3. Appointment of Mr. Gautam Kirtikumar Shah as Director of the Company

To consider and, if thought fit, to pass with or without modification(s), as an ORDINARY RESOLUTION the following:

**“RESOLVED THAT** Mr. Gautam Kirtikumar Shah (DIN: 06379806) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director.”

4. Appointment of Mr. Prakash Dharshibhai Shah as Independent Director of the Company

To consider and, if thought fit, to pass with or without modification(s), as an ORDINARY RESOLUTION the following:

**“RESOLVED THAT** Mr. Prakash Dharshibhai Shah (DIN: 00286277) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

**RESOLVED FURTHER THAT** pursuant to Section 149 of the Companies Act, 2013 Mr. Prakash Dharshibhai Shah be and is hereby appointed as an Independent Director of the Company to hold office for a consecutive term of five years commencing from May 8, 2023 to May 07, 2028.”

## NOTICE OF ANNUAL GENERAL MEETING

### 5. Appointment of Mr. Sarat Malik as Independent Director of the Company

To consider and, if thought fit, to pass with or without modification(s), as an ORDINARY RESOLUTION the following:

**“RESOLVED THAT** Mr. Sarat Malik (DIN: 09791314) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

**RESOLVED FURTHER THAT** pursuant to Section 149 of the Companies Act, 2013 Mr. Sarat Malik be and is hereby appointed as an Independent Director of the Company to hold office for a consecutive term of five years commencing from May 8, 2023 to May 07, 2028.”

### 6. Appointment of Mrs. Jayna Rachit Shah as Independent Director of the Company

To consider and, if thought fit, to pass with or without modification(s), as an ORDINARY RESOLUTION the following:

**“RESOLVED THAT** Mrs. Jayna Rachit Shah (DIN: 10161760) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

**RESOLVED FURTHER THAT** pursuant to Section 149 of the Companies Act, 2013 Mrs. Jayna Rachit Shah be and is hereby appointed as an Independent Director of the Company to hold office for a consecutive term of five years commencing from May 22, 2023 to May 21, 2028.”

### 7. Appointment of Mrs. Jaya Nigam as Director of the Company

To consider and, if thought fit, to pass with or without modification(s), as an ORDINARY RESOLUTION the following:

**“RESOLVED THAT** Mrs. Jaya Nigam (DIN: 05193565) who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting of the Company, is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

## **NOTICE OF ANNUAL GENERAL MEETING**

### 8. Reclassification of Promoter & Promoter Group to Public Category

To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** in accordance with Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons/entities (hereinafter individually & jointly referred to as the 'applicants') forming part of the Promoter Group from 'Promoter & Promoter Group category' to 'Public category':

- i. Mr. Bhavdeep Vajubhai Vala
- ii. Mr. Hitesh Mansukhlal Bagdai
- iii. Mrs. Poonamben H Bagdai

**RESOLVED FURTHER THAT** on approval of the SEBI Board/ Stock Exchange upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.

**RESOLVED FURTHER THAT** any of the Directors of the Company or the Company Secretary or the Compliance Officer or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges, wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution."

### 9. Approval for Related Party Transaction

To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution: -

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") read with Rules made thereunder, other applicable laws/ statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions, and subject to such approval(s), as may be necessary from time to time and basis the approval/ recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into Material

## NOTICE OF ANNUAL GENERAL MEETING

Related Party Transaction with M/s. Parshwashanti Buildinfra Projects Private Limited, the company in which Director is interested within the meaning of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, in the nature of Related Party Transactions, for such amount and on such material terms and conditions as detailed in the Explanatory Statement to this Resolution and as may be mutually agreed between both the Companies, for FY 2023-2024, provided that the said transaction shall not be carried out at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including any material modifications, finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, and to take all such actions herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board/Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

### 10. Shifting of Registered Office of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 12, 13 and 110 of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, such other rules and regulations made thereunder and all other applicable provisions, if any, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the Regional Director, North Western Region, Ahmedabad, Gujarat, the Registrar of Companies, Gujarat, Ahmedabad and any other regulatory authority(ies), the consent of the Members of the Company be and is hereby accorded for shifting of the Registered office of the Company from the 'State of Gujarat' to the 'State of Maharashtra.'"

## NOTICE OF ANNUAL GENERAL MEETING

**“RESOLVED FURTHER THAT** Clause II of the Memorandum of Association of the Company, be and is hereby altered and substitution of the following clause :

**Clause II: The Registered office of the Company will be situated in the “State of Maharashtra within the jurisdiction of Registrar of Companies, Mumbai”.**

**“RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorised severally to sign the petition, application, affidavits and such other documents as may be necessary in relation to filing of Application with the Regional Director (Central Government), North Western Region, Gujarat, Ahmedabad, the Registrar of Companies, Ahmedabad, Gujarat and/or any other concerned authority in respect to the Shifting of Registered Office of the Company from the ‘State of Gujarat’ to the ‘State of Maharashtra’.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorize and appoint M/s. MEHTA & MEHTA, Practicing Company Secretaries, Mumbai and their Associates, to enter in to appearance and represent the Company before the Regional Director, North Western Region, Gujarat, Ahmedabad and any other concerned authority in the appropriate proceedings under Section 13(4) of the Companies Act 2013, filed for seeking approval for the shifting of the Registered office of the Company from the ‘State of Gujarat’ to the ‘State of Maharashtra’, and to accept such modifications and/or alterations in the Special Resolution as may be deemed necessary by the Regional Director, North Western Region, Gujarat, Ahmedabad, while giving its approval and to do all such acts, things, matters and deeds as may be necessary and appropriate in this regard.”

### 11. Adoption of new sets of Articles of Association as per Companies Act, 2013

To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company with immediate effect;

**RESOLVED FURTHER THAT** any of the directors of the company be and are hereby severally authorised to do all such acts, deeds and actions as may be necessary, proper or expedient to give effect to this resolution.”



## NOTICE OF ANNUAL GENERAL MEETING

### 12. Adoption of new sets of Memorandum of Association as per Companies Act, 2013

To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft clauses contained in the Memorandum of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the clauses contained in the existing Memorandum of Association of the Company with immediate effect;

**RESOLVED FURTHER THAT** any of the directors of the Company be and are hereby severally authorised to do all such acts, deeds and actions as may be necessary, proper or expedient to give effect to this resolution.”

### 13. Change in Main Object Clause of the Company

To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the shareholders of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, to append following clause (III) after clause (II) of the Memorandum of Association of Company:

[A] OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE”.

1. To carry on in India and elsewhere the business of financing, secured or unsecured, industrial micro financing to individuals, micro entities, companies, societies, institutions or other entities, incorporated or not through individual lending basis, group lending basis, joint liability group basis or supply chain financing, Digital Bill Discounting, Short Term long and Medium and long term Financing, issue of Bonds and supply chain business bonds, green bonds etc. through any other method for meeting their requirement for working capital needs, housing needs, acquisition and buying in of goods or merchandise of any description or for their productive or personal financial requirements and business of leasing of movable properties of any kind and industrial machinery, plant of all kinds and financing the purchase thereof with financing the purchase of immovable properties of all kinds such as real estate, buildings, flats and apartments and to finance the sale of furniture, apparatus, machinery, materials, goods and articles, and to lease out or sell any of the same on hire purchase system.

## NOTICE OF ANNUAL GENERAL MEETING

2. To advance, deposit or lend money, securities and properties to or with any company, body corporate, firm, person or association whether falling under the same management or otherwise, in accordance with and to extent permissible under the provisions contained in Sections 185 and 186 of the companies Act, 2013 with or without any securities and on such terms as may be determined from time to time and to carry on business of money lending. However, the company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.
3. To carry out financing operation and perform financing services including factoring, project finance, consultancy, credit reporting, credit collectors, underwriters, registrars, brokers with provisions for computer services.
4. To provide a leasing advisory consulting services to other entities and/or form the leasing arm of other entities.
5. To carry on the business of providing Microfinance Services (mainly Non-Banking Financial Services as permitted by the Reserve Bank of India), financing to targeted to the poor men and women in generation and enhancement of livelihoods, business development, employment generation, the economic and development activities of poor men and women through term loans, collateral free credit, other forms of credits, thrift and savings, and other financial services, rendering financial services to people by acting as intermediary for banks and financial institutions, providing finance to agricultural related activities, provide / arrange finance / financial services for rural & urban housing development related activities and to carry on and undertake the business of research, consultancy, technical assistance and training in the field of livelihood promotion, development of micro/community development finance and other financial services, as intermediary for other companies or organizations, resource center institutions.
6. To carry out such other business which are permissible under direction of Reserve Bank of India and other applicable laws in force which includes but not limited to Forex, Derivatives, hedging etc. in India or elsewhere.

[B] MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE.

1. To undertake and execute any trust may seem desirable or otherwise.
2. To invest surplus funds of the Company in shares, stocks, debentures, debenture-stocks, bonds, securities, real estate and to finance industrial enterprises.
3. Subject to the provisions of Companies Act and rules there under and rules and directives issued by Reserve Bank of India to borrow or raise or secure the payment of money or to receive money on deposit at interest for any of the purpose of the Company and at such time and from time to time and in such manner as may be thought fit and in particular by the issue of debenture or debenture stocks convertible into shares of this or any other company or perpetual annuities and as security for any such money so borrowed, raised

## NOTICE OF ANNUAL GENERAL MEETING

or received for any such debentures or debenture stocks so issued to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company present or future including its uncalled capital by special assignments or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay-off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company as the case may be provided that the Company shall not carry on banking business as defined in the Banking Regulation Act, 1949.

4. To form, constitute, float, lend money to assist and control similar companies, associations or undertaking whatsoever.
5. To establish, provide, maintain and conduct or otherwise, subsidies, assist research laboratories and experimental workshops for scientific and technical research and experiments and undertake and carry on all scientific and technical, experiments and tests of all kinds and to promote studies and research both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remuneration of scientific or technical professors or teachers and by providing for the award or exhibitions, scholarships, prizes and grants to students of independent students or otherwise and to encourage, promote and reward studies, researches, investigations experiments, tests and inventions or any kind that may be considered likely to assist any kind of the business which the Company is authorized to carry on.
6. To establish, promote or concur in establishing or promoting any company or companies having similar objects for the purpose of acquiring all or any of the properties, rights and liabilities of the Company and to place or guarantee the placing of, subscribe for or otherwise acquire all or any part of the shares.
7. To pay for any properties, rights or privileges acquired by the Company either in shares of the Company or partly in shares and partly in cash or otherwise.
8. To insure with any other company or person against losses, damages, risks and liabilities of all kinds which may affect this, Company.
9. To form, promote, subsidies and assist companies and partnership having similar objects in any manner as may be thought fit in connection with any of the above objects of the Company.
10. To search for and to purchase, protect, prolong, renew or otherwise acquire from any Government, state or authority any patents, protection, licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account to work, develop, carry out, exercise and turn to account the same.

## NOTICE OF ANNUAL GENERAL MEETING

11. To apply for, promote and obtain any act of parliament or legislature, charter, privilege, concession, licence or authorisation of Government, State or Municipality provisional order or licence of the Board of Trade or other authority for enabling the Company to carry any of the objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company.
12. To hold, use, work, manage, improve, carry on and develop the lands and movable and immovable estate or property and assets of any kind of the Company or any part thereof.
13. To let mortgage or sell or otherwise dispose of any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as may be thought fit and to accept payment or satisfaction for the same in cash or otherwise.
14. To sell, mortgage or otherwise to deal with or dispose of the property, assets or undertaking of the Company or any part thereof, for such consideration as the Company may think fit and in particular for shares, stocks, debentures and other securities of any other company having objects altogether or in part similar to these of the Company.
15. To enter into partnership or into any arrangements for sharing of profits, amalgamation, union of interest, reciprocal concession or co-operation with any person, partnership or company and to promote and aid in promoting, constituting, forming and organizing companies or partnerships of all kinds for the purpose of acquiring and undertaking any property and liabilities of the Company. And also, to pay for any properties, rights or privileges acquired by this Company either in shares of the Company or partly in shares and partly in cash or otherwise, and to give shares of this Company in exchange for shares or stock of any other company.
16. To enter into any arrangements with any Government or authorities supreme, municipal local or otherwise, or any person or company that may seem conducive to the Company's objects or any of them to obtain from any such Government, authorities, person or company any rights, privileges, charters, contracts, licenses and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges charters, contracts, licenses and concessions.
17. To lend, invest or otherwise employ or deal with money belonging to or entrusted to the Company in securities and shares or other movable or immovable property or with or without security upon such terms and in such manner as may be thought proper and from time to time to vary such transactions and investments in such manner as the Directors may think fit subject to the provisions of the Companies Act, 2013.
18. To pay or satisfy the consideration for any property right, shares, securities or assets whatsoever which the Company is authorized to purchase or otherwise acquire either by payment in cash or by the issue of shares or other securities of the Company or in such other manner as the Company may agree or partly in one mode and partly in another or others.

## NOTICE OF ANNUAL GENERAL MEETING

19. To improve, manage, work, develop, alter, exchange, lease, mortgage, turn to account, abandon, or otherwise deal with all or any part of the property rights and concessions of the company.
20. To draw, make, accept, endorse, discount, execute, issue, negotiate, assign and otherwise deal with cheques, drafts, bills of exchange, promissory notes, hundies, debentures, bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
21. To open account or accounts with any firm or with any bank or banks or bankers or shroffs and to pay into and to withdraw money for such accounts.
22. To apply for tender, purchase or otherwise acquire any contracts, sub-contracts, licenses and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake, execute, carryout, dispose of or otherwise turn to account the same.
23. To employ experts to investigate and examine into the conditions, prospects, value, charter and circumstances of any business concerns and undertakings and of any asset, property or rights.
24. To carry on business or branch of a business which the Company is authorized to carry on by mean or through the agency of any subsidiary company or companies and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business branch so carried on or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business.
25. To nominate any Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
26. To take part in the management, supervisions and control of the business or operations of any company or undertaking having similar objects and for that purpose to appoint and remunerate any Directors, trustees, accountants or other experts.
27. To pay all preliminary expenses of any company promoted by the Company or any company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the cost and expenses of owners of business or property acquired by the Company.
28. To make and/or receive donations, gifts or income to or from such persons, institution or Trusts and in such cases and whether of cash or any other assets as may be thought to benefit the Company or any other objects of the Company or otherwise expedient and also to remunerate any person or corporation introducing or assisting in any manner the business of the Company.

## NOTICE OF ANNUAL GENERAL MEETING

29. To establish and support or aid in the establishment of and support associations, institutions, companies, societies, funds, trusts and conveniences for the benefit of the employees, or ex-employees or of persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or by way of lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds to or such persons.
30. To form, subscribe or contribute to or otherwise to assist, aid or guarantee money to public, charitable, benevolent, religious, scientific, national or other institutions, funds, objects or purposes and to any other institutions, funds, objects or purposes which in the opinion of the Board of Directors are likely to promote the interest or the business of the Company and/or to further its objects and/or to any other institutions, funds, objects or purposes whatsoever directly relating to the business of the Company.
31. To create any depreciation fund, reserve fund, sinking fund, insurance fund, educational fund or any other special fund or reserves whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for any other purposes conducive to the interest of the Company.
32. To amalgamate with any other company having similar objects.
33. In the event of winding up to distribute any of the property of the Company amongst the members in specie or kind subject to the provisions of the Companies Act, 2013
34. To place, to reserve or to distribute as bonus shares among the members or otherwise to apply as the Company may from time-to-time think fit, any money received by way of premium on shares or debentures issued at a premium by the Company and any money received in respect of forfeited shares and moneys arising from the sale by the Company or forfeited shares, subject to the provisions of the Companies Act, 2013.
35. To accumulate capital from the profits of the Company for any of the purposes of the Company and to use and appropriate the same or any of the Company's assets either conditionally or unconditionally to specific purposes.
36. To pay out of the funds of the Company all costs, charges and expenses of and incidental to the promotion, formation, registration, advertisement and establishment of this Company and the issue and the subscription of the shares or loan capital including brokerage and/or commission for obtaining applications for placing or guaranteeing the placing of shares or any debentures, debenture-stock and other securities of this Company and also all expenses attending the issue of any circular or notice and the printing, stamping and circulating of proxies and forms to be filled up by the members of the Company and to remunerate by cash or allotment of fully or partly paid shares to any person, firm or company for services rendered in introducing any property or business to the Company or in placing, assisting to place shares, debentures, debenture-stock or other securities of the Company or in or about the formation of the Company or the acquisition of property by the Company or the conduct of its business or for any other reason which the Company may think proper.

## NOTICE OF ANNUAL GENERAL MEETING

37. To provide for the welfare of Directors or employees of the Company or its predecessors in business and the wives, widows and families or the dependents or connections of such persons by buildings or contributing to the building or houses or dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other association, funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of institution, amusement, hospitals and dispensaries, medical and other attendance and assistance as the Company shall think fit.
38. To establish and maintain or procure the establishment and maintenance of any contributory or noncontributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any person who are or were at any time in the employment or service of the Company or who are or were at any time Directors or officers of the Company and the wives, widows, families and dependents of any such persons and also to establish and subsidies and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company and make payments to or towards the insurance of any such person as aforesaid.
39. To subscribe for, take or otherwise acquire and hold shares, stocks, debentures or other securities of any other company having objects altogether or in part similar to those of the Company.
40. Subject to the provisions of the Act and the Rules, the company may issue further shares to employees under scheme of employee's stock option, subject to special resolution passed by the company in conformity with the provisions prescribed in the Rules or any other law.
41. To acquire and undertake all or any part of the property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorized to carry on or which can be carried on in conjunction therewith financially or otherwise and in particular by subscribing for shares, stock, debentures, debenture-stock or other securities of such company.
42. To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise.
43. In relation with the business of the Company to guarantee the payment of money secured or unsecured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or any authority, supreme, municipal, local or otherwise or of any person howsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
44. To vest any movable or immovable property, rights or interest acquired by or belonging to the Company in any person or company and with or without any declared trust in favour of the Company, subject to the provisions of the Act.

## NOTICE OF ANNUAL GENERAL MEETING

45. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or any such person or companies and generally to give guarantee and indemnities.
46. To procure the incorporation, registration or other recognition of the Company in, State or place outside India and to establish and maintain local registers of any branch, places of business in any part of the world.
47. To aid, pecuniarily or otherwise, any association, body or movement having for an object, the solution, settlement or labour problems or troubles or the promotion of industry or trade.
48. To enter into negotiations with and enter into arrangements and contracts and conclude the same with foreign and/or Indian parties and other persons for obtaining by grant, licence and/or on other terms, formulate and other rights and benefits and to obtain technical and engineering information, assistance and service, know-how and expert advice for installation of plant and machinery, production and manufacture of any products.
49. To pay for technical know-how, technical and engineering assistance and information and/or service rights or privileges acquired by the Company either in shares of the Company or partly in shares or partly in cash or otherwise.
50. To pay to promoters such remuneration and fees and otherwise remunerate them for their time and for the services rendered by them.
51. As per the Companies Act and Rules thereunder to borrow or raise money or to receive money from persons, bodies corporate, financial institutions, banks and such other lenders and in security of any such money so borrowed, raised or received to mortgage, pledge or charge the whole or any part of the property assets or revenue of the Company present or future by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient, by executing negotiable or transferable instrument and deal with all documents mercantile or otherwise, in the ordinary course of business.
52. To establish branches or appoint in or outside India for or in connection with any of the objects of the Company and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
53. To insure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from liability or loss in any respect either fully or partially and also, to insure and to protect and indemnify and part or portion thereof either on mutual principle or otherwise.
54. To acquire and take over the whole or part of the business, property, goodwill and liabilities of any person, firm or company carrying on or about to carry on possessed of any property or rights suitable for the purposes of this Company.



## **NOTICE OF ANNUAL GENERAL MEETING**

55. To acquire real or leasehold estate and to purchase, lease, construct or otherwise acquire or provide in any place in which any part of the business of the Company may from time to time be carried on, all such offices, warehouses, workshops, buildings, houses for employees and Directors, machineries, engines, plant and appliances as may be considered requisite for the purpose of carrying on the business of the Company or any part thereof.
56. To undertake and execute any contracts for work involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.
57. To establish agencies in India and elsewhere for sale and purchase and regulate and discontinue the same.
58. To do all or any of the above things and all such things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of the world, and as principals agents, contractors, trustees, or otherwise, and by or through trustees, attorney agents or otherwise, and either alone or in conjunction with others and to establish offices, agencies, branches for carrying any of the aforesaid objects in India and elsewhere in the world and to undertake the management of the company or companies having objects all together or in part similar to those of the Company.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, any of the of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies.”

**Date: 02.09.2023**  
**Place: Rajkot**

By Order of the Board of Directors,  
**For, Rajath Finance Limited**

**HITESH BAGDAI**  
**Managing Director**  
**DIN: 00575732**

## NOTICE OF ANNUAL GENERAL MEETING

### **NOTES:**

- A. A Member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on poll and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
- B. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 22<sup>nd</sup> September, 2023 to Saturday, 30<sup>th</sup> September, 2023.
- C. Ministry of Corporate Affairs (“MCA”) vide various circulars issued since May, 2020 including the general circular No. 02/2022 issued on 05<sup>th</sup> May, 2022 read with Securities and Exchange Board of India (SEBI) Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued on 13<sup>th</sup> May, 2022 has extended the relaxation from dispatching of physical copy of Annual Report including financial statements for the year 2022, to shareholders, till 30<sup>th</sup> September, 2023. In compliance of MCA and SEBI Circulars, soft copy of annual report is being sent to all the members whose email address is registered with Company/Depository Participant(s). Further for those members who have not registered their email address, may note that copy of annual report for the financial year 2022-23 is also available on the website of the company at [www.rajathfinance.in](http://www.rajathfinance.in) and also on the website of the Stock exchange at [www.bseindia.com](http://www.bseindia.com) for download.
- D. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
- E. In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, your company is pleased to provide remote e-Voting facility to its members for the business as may be transacted at the Annual General Meeting of the Company.

## NOTICE OF ANNUAL GENERAL MEETING

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- F. The members who have cast their votes by remote e-voting prior to the day of AGM may attend the meeting but shall not be entitled to cast their vote again at the venue of the AGM.
- G. E-voting platform for remote e-voting shall be provided by the Link Intime India Private Limited (Instavote), Registrar and Share Transfer Agent of the Company. The detailed instructions for remote e-voting as per the SEBI Circular dated 09th December, 2020 are annexed to this notice.
- H. The remote e-voting period shall commence at 09:00 AM on Wednesday, 27<sup>th</sup> September, 2023 and will end at 05:00 PM on Friday, 29<sup>th</sup> September, 2023. During this period, the members of the company holding shares as on the cutoff date i.e Saturday, 23<sup>rd</sup> September, 2023 may cast their vote electronically. E-voting module shall be disabled by the Link Intime after 05:00 PM on Friday, 29<sup>th</sup> September, 2023. During the AGM, voting can be done through ballot/polling paper.
- I. The person whose name is registered in the register of members of the Company or in the register of beneficial owners as maintained by the depositories as on Friday, 01<sup>st</sup> September, 2023 [Cut-off date for receiving Notice and Annual Report], shall be entitled for receiving of the Notice of Annual General Meeting along with Annual Report for the F.Y. 2022-23, through their registered Email-id.
- J. Jitendra Pravinbhai Leeya (Company Secretaries) has been appointed as the Scrutinizer to scrutinize the e-voting process and Voting through Poll at the venue of the AGM in a fair and transparent manner.
- K. The results shall be declared within two working days after the AGM of the Company. The Results along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.rajathfinance.com](http://www.rajathfinance.com)) and on LI IPL's website (<https://instavote.linkintime.co.in>), within two (2) days of passing of the resolutions at the AGM and communicated to the BSE Limited, where the shares of the Company are listed.
- L. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

## NOTICE OF ANNUAL GENERAL MEETING

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### **BRIEF PROFILE OF DIRECTORS SEEING APPOINTMENT:**

<b>Director's Name</b>	Mr. Bhavdeep Vajubhai Vala
Date of Appointment as Director in Company	27/02/2007
Qualification	Graduate
Experience in specific functional area	Mr. Bhavdeep is one of the Promoter of the company and associated with the Company since 2007. He is designated as a Executive Director of the Company. He is having experience of more than 10 years in the field of finance industry. He is also having wide experience in the area of real estate.
Directorship held in other Public Limited (excluding Directorship in Rajath Finance Limited)	Not Applicable
Membership/Chairmanship of Committees in other Public Limited (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Not Applicable
No. of Shares held	NIL

## NOTICE OF ANNUAL GENERAL MEETING

<b>Director's Name</b>	Mr. Gautam Kirtikumar Shah
Date of Appointment as Director in Company	08/05/2023
Qualification	Graduate
Experience in specific functional area	Mr. Gautam is recently associated with the Company. He is designated as a Executive Director of the Company. He has an experience of more than 22 years in the field of real estate development, leasing and real estate project financing. He is also having wide experience in the area of real estate.
Directorship held in other Public Limited (excluding Directorship in Rajath Finance Limited)	KNIGHT AND NOBLE TRAVEL LIMITED (U45206MH1997PLC107009)
Membership/Chairmanship of Committees in other Public Limited (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Not Applicable
No. of Shares held	NIL

## NOTICE OF ANNUAL GENERAL MEETING

<b>Director's Name</b>	Mr. Prakash Dharshibhai Shah
Date of Appointment as Director in Company	08/05/2023
Qualification	Solicitor
Experience in specific functional area	Mr. Prakash is recently associated with the Company. He is designated as a Independent Director of the Company. He has an experience of more than 40 years practicing as Solicitor and Advocate in Bombay High Court.
Directorship held in other Public Limited (excluding Directorship in Rajath Finance Limited)	VINYL CHEMICALS (INDIA) LIMITED (L24100MH1986PLC039837)  CONCORD ENVIRO SYSTEMS LIMITED (U45209MH1999PLC120599)
Membership/Chairmanship of Committees in other Public Limited (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Not Applicable
No. of Shares held	NIL

## NOTICE OF ANNUAL GENERAL MEETING

<b>Director's Name</b>	Mr. Sarat Malik
Date of Appointment as Director in Company	08/05/2023
Qualification	PHD
Experience in specific functional area	Mr. Sarat is recently associated with the Company. He is designated as a Independent Director of the Company. He has an experience of more than 23 years of experience as Chief General Manager in SEBI. He was associated with RBI for about 11 years and worked in the areas of Banking Supervision, Foreign Exchange, Public Debt Office, Commercial Banking, NBFC, Rural Credit, Monetary Policy etc.
Directorship held in other Public Limited (excluding Directorship in Rajath Finance Limited)	SPACENET ENTERPRISES INDIA LIMITED (L72200TG2010PLC068624)
Membership/Chairmanship of Committees in other Public Limited (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Not Applicable
No. of Shares held	NIL

## NOTICE OF ANNUAL GENERAL MEETING

<b>Director's Name</b>	Mrs. Jayna Rachit Shah
Date of Appointment as Director in Company	22/05/2023
Qualification	Chartered Accountant
Experience in specific functional area	Mrs. Jayna is recently associated with the Company. She is designated as a Independent Director of the Company. She has an experience of more than 9 years in the field of auditing and taxation.
Directorship held in other Public Limited (excluding Directorship in Rajath Finance Limited)	Not Applicable
Membership/Chairmanship of Committees in other Public Limited (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Not Applicable
No. of Shares held	NIL



## NOTICE OF ANNUAL GENERAL MEETING

<b>Director's Name</b>	Mrs. Jaya Nigam
Date of Appointment as Director in Company	21/07/2023
Qualification	Post Graduate
Experience in specific functional area	<p>She holds the qualification of Bachelor of Commerce from Mumbai University and Master of Management Studies in Finance from Mumbai University.</p> <p>22 years of experience in the Indian Fixed Income Markets working in Bank Treasury, Asset Management Company and Brokerage Houses.</p> <p>Rich experience in managing sovereign bonds and corporate bonds portfolio</p> <ul style="list-style-type: none"><li>▪ Seasoned professional with experience in managing liquidity and asset liability gaps of the portfolio</li><li>▪ Excellent working relationship with market participants (Banks, Insurance companies, Corporate Treasuries, Mutual Funds etc.)</li><li>▪ Excellent working relation with Indian financial market regulators</li><li>▪ Thorough understanding and interpretation of macro variable and using it for liquidity, asset-liability and bond portfolio management</li><li>▪ Regular contributor to framing investment strategies with inputs on market dynamics and future trends to optimize investments</li><li>▪ Energetic and self-motivated team player/builder. At ease in high stress, fastpaced environments with emerging and multiple responsibilities. With an ability to rapidly achieve organizational integration, easily assimilate job requirements</li><li>▪ Good teamwork, management, oral &amp; written communication, interpersonal, intuitive, and analysis skills. Thrive in both independent and collaborative work environments.</li></ul>
Directorship held in other Public Limited (excluding Directorship in Rajath Finance Limited)	Not Applicable
Membership/Chairmanship of Committees in other Public Limited (excluding Membership/Chairmanship of Committees in Rajath Finance Limited)	Not Applicable
No. of Shares held	NIL

**Date: 02.09.2023**  
**Place: Rajkot**

By Order of the Board of Directors,  
**For, Rajath Finance Limited**

**HITESH BAGDAI**  
**Managing Director**  
**DIN: 00575732**

## NOTICE OF ANNUAL GENERAL MEETING

### ❖ **Instructions for e-Voting:**

**Please read the instructions given below before exercising the voting right through remote e-voting.**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

### **Login method for Individual shareholders holding securities in demat mode is given below:**

1. Individual Shareholders holding securities in demat mode with NSDL
  1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
  2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  
2. Individual Shareholders holding securities in demat mode with CDSL
  1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
  2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
  3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.

## NOTICE OF ANNUAL GENERAL MEETING

4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants  
You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

### **Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on **“Sign Up”** under **‘SHARE HOLDER’** tab and register with your following details: -

#### **A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

*\*Shareholders holding shares in **NSDL form**, shall provide ‘D’ above*

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click “confirm” (Your password is now generated).

3. Click on ‘Login’ under **‘SHARE HOLDER’** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **‘Submit’**.

### **Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select **‘View’** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **‘Favour / Against’** (If you wish to view the entire Resolution details, click on the **‘View Resolution’** file link).
4. After selecting the desired option i.e. Favour / Against, click on **‘Submit’**. A confirmation box will

## NOTICE OF ANNUAL GENERAL MEETING

be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

### **Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

### **Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

### **Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## **NOTICE OF ANNUAL GENERAL MEETING**

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions (FAQs) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**ANNEXURE TO THE NOTICE OF THE 38TH (THIRTY-EIGHTH) ANNUAL GENERAL MEETING (AGM) OF RAJATH FINANCE LIMITED**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT"):

The Explanatory Statement in terms of the provisions of Section 102(1) of the Act, sets out all material facts relating to the Special Business mentioned in the accompanying Notice for convening the 38<sup>th</sup> (Thirty-eighth) Annual General Meeting ("AGM") of Rajath Finance Limited on Saturday, September 30, 2023 at 3.00 p.m. (IST):

**Item No.3**

Board of Directors of the company through resolution passed in their meeting held on 8<sup>th</sup> day of May, 2023 has appointed Mr. Gautam Kirtikumar Shah (DIN: 06379806) as Additional Director of the company till the date of the next annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the members' of the company is required for regularization of Mr. Gautam Kirtikumar Shah as Director of the company.

None of the Directors' of the company is concerned or interested in the resolution.

The Board recommends the resolution set forth in item no.3 for the approval of the members.

**Item No.4**

Board of Directors of the company through resolution passed in their meeting held on 8<sup>th</sup> day of May, 2023 has appointed Mr. Prakash Dharshibhai Shah (DIN: 00286277) as Additional Director of the company till the date of the next annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the members' of the company is required for regularization of Mr. Prakash Dharshibhai Shah as Director (Independent) of the company.

None of the Directors' of the company is concerned or interested in the resolution.

The Board recommends the resolution set forth in item no.4 for the approval of the members.

**Item No.5**

Board of Directors of the company through resolution passed in their meeting held on 8<sup>th</sup> day of May, 2023 has appointed Mr. Sarat Malik (DIN: 09791314) as Additional Director of the company till the date of the next annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the members' of the company is required for regularization of Mr. Sarat Malik as Director (Independent) of the company.

None of the Directors' of the company is concerned or interested in the resolution.

The Board recommends the resolution set forth in item no.5 for the approval of the members.

**Item No.6**

Board of Directors of the company through resolution passed in their meeting held on 22<sup>nd</sup> day of May, 2023 has appointed Mrs. Jayna Rachit Shah (DIN: 10161760) as Additional Director of the company till the date of the next annual general meeting. Accordingly, in terms of the

provisions of Companies Act, 2013 approval of the members' of the company is required for regularization of Mrs. Jayna Rachit Shah as Director (Independent) of the company.

None of the Directors' of the company is concerned or interested in the resolution.

The Board recommends the resolution set forth in item no.6 for the approval of the members.

#### **Item No. 7**

Board of Directors of the company through resolution passed in their meeting held on 21<sup>st</sup> day of July, 2023 has appointed Mrs. Jaya Nigam (DIN: 05193565) as Additional Director of the company till the date of the next annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the members' of the company is required for regularization of Mrs. Jaya Nigam as Director of the company.

None of the Directors' of the company is concerned or interested in the resolution.

The Board recommends the resolution set forth in item no.7 for the approval of the members.

#### **Item No. 8**

The Company had received the letter from the following person falling under the category of promoters/promoter Group of the Company requesting to be reclassified from the Category of "Promoters/Promoters Group" to "Public Category".

Sr No	Name of the person	No. of Equity Shares Held	% of the total Equity Capital
1	Mr. Bhavdeep Vajubhai Vala	NIL	NIL
2	Mr. Hitesh Mansukhlal Bagdai	NIL	NIL
3	Mrs. Poonamben H Bagdai	NIL	NIL

The aforesaid Promoter/ promoter group person is not holding any shares of the Company. The aforesaid promoter/ promoter group person does not exercise any control over the Company but Mr. Bhavdeep Vajubhai Vala and Mr. Hitesh Mansukhlal Bagdai are engaged in the management of the Company as the directors. Mrs. Poonam H Bagdai neither exercise any control over the company nor is engaged in the management of the Company.

The aforesaid Promoter/ promoter group person has entered into share purchase agreement with 9anium Tech LLP ("Acquirer") for transfer of their 27,90,555 (Twenty Seven Lakh Ninety Thousand Five Hundred and Fifty Five) Equity Shares of face value of ₹ 10/- each representing 69.76% of the fully paid-up equity share capital of the Target Company at a price of ₹ 13.11 (Rupees Thirteen and Eleven Paise Only) per Equity Share payable in cash in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. This would consequently result into change of management and control of the Company, post successful completion of the open offer process under the SEBI Takeover Regulations by the Acquirer and obtaining prior approval from the Reserve Bank of India. They do not have any Special Information Rights.

The aforesaid persons have requested to the Company to reclassify them from being a “Promoter Category” to “Public Category” Shareholder of the Company. Based on the letter received from above promoter person, the matter was discussed by the Board of Director at their meeting held on 8<sup>th</sup> May, 2023 and Board decided to get the above promoter/promoter group person reclassified from the” Promoter Category” to “Public Category” with the approval of stock exchanges Regulation 31A (2) read with Regulation 31 A (7) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations,2015 (Including any amendments made thereto) (hereinafter referred to as Listing Regulations”) is the main regulation which deals with reclassification of promoter shareholding in to public Shareholding. It provides that the Stock exchanges allow reclassification of the status of promoter shareholders only if the following main conditions are satisfied.

- (i) Upon receipt of a request from the concerned listed entity or the concerned Shareholders.
- (ii) Upon receipt of all relevant evidence to be provided.

On BSE being satisfied with the Compliance of conditions mentioned in Regulation 31A. Regulation 31A (7) (any other manner) means with the consent of the person wants to change reclassification. A reclassification may also be permitted by the stock exchanges under the main Listing Regulation No, 31A (2) itself read with the additional condition specified under the Regulation 31A (7) of Listing Regulation,

The sum total of conditions under the two sub regulations are as follows.

- (i) A request for reclassification to be made by the concerned listed entity or by the concerned shareholders/ to stock exchanges.
- (ii) All relevant evidence to be provided.
- (iii) Reclassified promoter shall not directly or indirectly exercise control over the affair of company.
- (iv) Increase in the level of public shareholding pursuant to reclassification of promoters shall not be considered towards achieving compliances with minimum public Shareholding requirement under Rule 19 A of the Securities contracts (Regulation) Rule, 1975 and
- (v) The event of reclassification shall be disclosed to the Stock exchange as a material event in accordance with the provisions of Listing Regulations.

All the conditions Specified under Regulation 31A (2) and 31 A (7) of Listing Regulation have been duly complied with by the Company. The Company’s case of reclassification of promoter is covered under Regulation 31A (2) of Listing Regulation.

None of the Directors, Key Managerial persons of the Company and their relatives is/are concerned or interested in the resolution.

The Board therefore commends the Resolution no. 8 for approval of the members as Special Resolution.

#### **Item No. 9**

Regulation 23 of the SEBI Listing Regulations, inter alia, states that effective from April 1, 2022, all Material Related Party Transactions (‘RPT’) shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm’s length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds`1,000 crore or 10% of the annual



consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Regulation 2(1)(zc) of the SEBI Listing Regulations defines related party transaction to mean a transaction involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity, regardless of whether a price is charged or not.

In view of the afore mentioned regulatory changes the Resolutions No. 10 is placed for approval by the Members. The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs. The Audit Committee has noted that the said transaction(s) will not be at an arm's length pricing basis.

1. Use of office premises belonging to Parshwashanti Buildinfra Projects Pvt Ltd in which Mr. Gautam Kirtikumar Shah is interested director, as the Corporate Office upto the completion of process of shifting of registered office of the company. Upon the completion and receipt of approval of Regulators for shifting of the Registered office the Corporate Office Address will be used as the Registered office address of the company.

#### **Transaction**

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>	<b>Nature of the Transaction</b>	<b>Duration</b>	<b>Maximum Expected Value of the Transactions per annum (Rs.)</b>
Parshwashanti Buildinfra Projects Pvt Ltd	Entity in which Director is interested	Use of Premises as Corporate Office until the registered office of the company is shifted.	6 month of FY 2023-2024	50,00,000/-

- a) Name of the related party; Parshwashanti Buildinfra Projects Pvt Ltd
- b) Name of the Director who is related, if any- Mr. Gautam Kirtikumar Shah
- c) Nature of Relationship - Entity in which Director is interested
- d) Nature, material Terms, monetary value and particulars of contract or arrangement: Use of Premises as Corporate Office until the registered office of the company is shifted. Upon the completion and receipt of approval of the Regulators for shifting of the Registered office the Corporate Office Address will be used as the Registered office address of the company against the consideration to be received in one or more tranches upto an extend of Rs.50,00,000/- (Rupees Fifty Lacs only)
- e) any other information relevant or important for the members to take a decision on the proposed resolution: Nil

None of the other Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 9 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Special Resolution set forth at Item No. 9 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Special Resolution set forth at Item No. 9 of the Notice, whether the entity is a Related Party to the particular transaction or not.

**Item No. 10**

In connection to this your Board of Directors in their Board Meeting held on 22.05.2023 has approved the shifting of registered office of the Company from the 'State of Gujarat' to the 'State of Maharashtra'. The Proposed shifting is due to the takeover of the Company by the new management and with a view to improve operational efficiency of the company in the state of Maharashtra.

Pursuant to the provisions of section 12,13 and other applicable provisions of the Companies Act, 2013, except on the authority of a Special Resolution passed by the Members of the company, the Registered Office of the company shall not be changed outside the local limits of any city, town or village where such office is situated.

Therefore, the Directors of the Company recommend the passing of a "Special Resolution" for the Item No.10 set out in the Notice.

None of the Directors, other Key Managerial Personnel and their relatives of your company are concerned or interested in the resolution except to the extent of their shareholding (if any).

Copy of the Memorandum and Articles of Association is available for inspection at the Registered Office of the Company during the normal business hours on working days.

**Item No. 11 & 12**

Rajath Finance Limited was incorporated as Rajath Leasing And Finance Limited on December 13, 1984 under the provisions of the Companies Act, 1956.

The existing Memorandum and Articles of Association ("MOA & AOA") were based on the Companies Act, 1956 and several clauses / regulations in the existing MOA & AOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force.

The Existing regulations of the Articles of Association are replaced by the new set of regulations and adopted as new set of Articles of Association as per the requirements of the Companies Act, 2013. The modification in Articles of association is carried out to give effect to provisions of the Companies Act, 2013.

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging appropriate and relevant Objects under Clause III (C) – 'Other Objects not included in (A) & (B) above' with Clause III (B) – 'Objects Incidental or Ancillary to the attainment of the Main Objects' and also to rename the Clause III (A) and III (B) of the Object Cause.

Consent of the shareholders by way of a Special Resolution is required in this regard. The entire set of proposed articles of association and memorandum of association is available in the website of the company. The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.

**Item No. 13**

The present object clause of the Memorandum of Association (MOA) of the Company covers all the activities carried on by the Company. In the view of the prevailing market condition, demand and growth of the financial sector, the Company intends to add many more financial services.

In order to enable the Company to undertake the businesses as above, it is proposed to amend the main objects clause of the Memorandum of Association of the Company as per Section 13 of the Companies Act 2013 read with Rule 22 of Companies (Management and Administration) Rules 2014. Thus, your approval is sought for the same.

The proposed activities can conveniently and advantageously be combined with the present activities of the company. This will also enlarge the area of operations of the company.

None of the Directors, Key Managerial Personnel and their relatives are interested in passing of the resolutions.

**Date: 02.09.2023**  
**Place: Rajkot**

By Order of the Board of Directors,  
**For, Rajath Finance Limited**

**HITESH BAGDAI**  
**Managing Director**  
**DIN: 00575732**

## DIRECTORS' REPORT

To,  
The Members,  
Rajath Finance Limited,

Your Board of Directors are pleased to present their **38<sup>th</sup> Annual Report** for the financial year ended on 31<sup>st</sup> March, 2023.

### **FINANCIAL RESULTS:**

Your Company's performance for the year ended on 31<sup>st</sup> March, 2023, is summarized as under:

**(Amt. in Rs.)**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>2022-23</b>	<b>2021-22</b>
1.	Revenue from Operation	33,12,040	34,29,400
2.	Other Income	-	--
<b>3.</b>	<b>Total Revenue (1+2)</b>	<b>33,12,040</b>	<b>34,29,400</b>
4.	Employee Benefit Expenses	8,85,300	8,09,790
5.	Depreciation & Amortization Exp.	9,00,380	80,880
6.	Other Expenses	29,66,110	(7,11,420)
<b>7.</b>	<b>Profit/(Loss) Before Tax</b>	<b>(14,39,760)</b>	<b>32,50,150</b>
8.	Current Tax	-	-
9.	Deferred Tax	(3,33,440)	(8,34,050)
<b>10.</b>	<b>Profit/(Loss) After Tax (PAT)</b>	<b>(11,06,320)</b>	<b>24,16,090</b>
<b>11.</b>	<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>12.</b>	<b>Total Comprehensive income for the period</b>	<b>(11,06,320)</b>	<b>24,16,090</b>

### **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:**

During the reporting period, your Company has recorded revenue from operation of Rs. 33,12,040/- as compared to Rs. 34,29,400/- during the previous financial year. Further, during the year under report company has reported net loss of Rs. 11,06,320/- as compared to profit of Rs. 24,16,090 during the previous financial year. Total comprehensive loss of the company for the F.Y. 2022-23 is Rs. 11,06,320. Management has been continuously trying to improve the performance of the Company.

## **DIRECTORS' REPORT**

### **DECLARATION OF DIVIDEND & TRANSFER OF AMOUNT TO RESERVES:**

In order to conserve resources for operational purposes, your Board of Directors do not recommend any dividend.

Further, no amount has been transferred to general reserves in the Financial Year 2022-23.

### **SHARE CAPITAL:**

The paid-up Equity Share Capital of the company as on March 31, 2023 was Rs. 4,00,00,000 divided into 40,00,000 equity shares of Rs. 10/- each. During the year under Report, the Company has not issued any shares or any convertible instruments.

### **EXTRACT OF ANNUAL RETURN:**

In terms of Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the copy of Annual Return for the Financial Year 2022-23 is placed on the website of the Company at the link <https://www.rajathfinance.in>

### **BOARD MEETINGS AND INDEPENDENT DIRECTOR'S MEETING:**

The Board of Directors of the Company met Eleven times during the reporting year respectively on 07/04/22, 24/05/22, 27/05/22, 05/08/22, 16/08/22, 05/09/22, 17/09/22, 08/11/22, 11/11/22, 08/02/23 and 09/03/23.

Further, the Independent Directors meeting was held on 07/04/2022 to consider the following:

1. To review the performance of non-independent directors and the Board as a whole, taking into account the views of executive directors and non-executive directors; and
2. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **BOARD'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, the Directors based on the information and representations received from the operating management confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards has been followed and there are no material departures from the same;

## DIRECTORS' REPORT

- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### **DECLARATION (OF INDEPENDENCE) BY INDEPENDENT DIRECTORS:**

The Company has received declarations from each Independent Director under section 149 (7) of the Companies Act, 2013 that he meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Company has adopted the practice to take the declaration of independence from all Independent Directors on his appointment/ re-appointment and also in first meeting of the Board of Directors every year. All these Directors are abiding to intimate to the Board about any change in their status of independence in the very next board meeting after such change.

### **RATIO OF REMUNARATION OF EACH DIRECTOR TO THE MEDIAN REMUNARATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23:**

The information required pursuant to section 197 (12) read with Rule 5 (1) (i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of ratio of remuneration of each director to the median remuneration of the employee of the Company for the financial year 2022-23 will be made available for inspection at its registered office of the Company during the working hours for a period of twenty one days before the date of Annual General Meeting of the company pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof, shall make specific request to the officer of the Company in this regard

## DIRECTORS' REPORT

### **COMPANY'S POLICY ON DIRECTORS APPOINTMENT, NOMINATION, REMUNERATION AND FORMAL EVALUATION:**

Pursuant to provisions of Section 178 (1) of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, nomination, appointment and remuneration of Directors suitably containing the criteria determining qualifications, positive attributes and independence of a Director.

### **FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

The Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Shareholders Grievance committee.

### **STATUTORY AUDITOR AND AUDITORS' REPORT:**

Members are already aware that company has appointed M/S. A. D. Vyas & Co., Chartered Accountants and a peer reviewed firm [FRN 113588W] as a statutory auditor of the company, in the annual general meeting held in the year 2019 (for the financial year 2018-19) to hold office till the conclusion of Annual General Meeting to be held in the year 2024 (for financial year 2023-24).

The Auditors' Report does not contain any qualification, reservation or adverse remark AND the Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not require any further comment thereon.

### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

The Board has appointed CS Gaurav Agrawal, Proprietor, Gaurav Agrawal & Associates Practicing Company Secretary, Indore to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith as Annexure 1. The SA observed about the appointment of CFO was made on 17th September, 2022. The Board explains that the due to geographical constraints as well as the position of the Company, the appointment of CFO was delayed. Further, as regards website updation, the Company was not fully operational. However, Management is taking necessary steps for website updation. As regards to the Structured Digital Database (SDD) Non Compliance the Company was not fully operational. However, Management has already taken steps for software installation and updation of records. As regards to the observation related to the contribution made by the Company for more than the limit prescribed specified under section 181 of the Companies Act, 2013, non registration of charge as specified under section 77 of the Companies Act, 2013 & noncompliance of provision of Regulation 47(3) of SEBI (LODR) Regulations, 2015, the Board would ensure for compliance of all applicable provisions of the Act in future.

## **DIRECTORS' REPORT**

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:**

During the year under report, the Company has not granted any loan or provided any guarantee or made any investment exceeding the limits as specified in Section 186 (2) of the Companies Act, 2013. Hence no approval from the shareholders in this regard was required.

### **PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:**

The Company has not entered into any contract or arrangement with related party which was not at arms' length requiring approval of shareholders in the general meeting as required under section 188 of the Companies Act, 2013. The Audit Committee reviews all the transactions with related party on quarterly basis and recommends the same to the Board for their approval. The details regarding of contracts/arrangement with related parties are disclosed in the AOC-2 is attached herewith as Annexure-2.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Rajath Finance Limited does not fall in any of the criteria mentioned in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and hence, it is not required mandatorily to carry out any CSR activities or constitute any Committees under provisions of Section 135 of the Act.

However, at Rajath Finance Limited we strongly believe that it's our moral responsibility to play an active role in discharging the environmental and social obligations for the welfare of society in which we operate.

### **BOARD OF DIRECTORS:**

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, one-third of such number of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Bhavdeep Vajubhai Vala, Director (DIN: 00153775) will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

As on 31<sup>st</sup> March, 2023, Composition of Board of Directors was as follows:

<b>Sr No</b>	<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>Director Identification Number (DIN)</b>	<b>Date of Appointment</b>
<b>1</b>	Mr. Hitesh Manubhai Bagdai	Managing Director	Executive	00575732	27/02/2007
<b>2</b>	Mr. Bhavdeep Vajubhai Vala	Director	Executive	00153775	27/02/2007



## DIRECTORS' REPORT

3	Mr. Kantilal Kalidas Khakhar	Director	Independent	01957569	05/02/2008
4	Mr. Ketanbhai Govindbhai Dhulesiya	Director	Independent	02252208	31/03/2009
5	Mrs. Poonam Hitesh Bagdai	Director	Non-Executive & Non-Independent	00353024	30/10/2015
6	Mr. Janish Navinchandra Ajmera	Director	Independent	06708217	30/12/2013

The Company does not pay any remuneration to its Non-Executive Directors. Further, the Company had made payment of remuneration to its Executive Directors in terms of Section 196 & 197 of the Companies Act, 2013, read with Schedule V to the Act. No commission was paid to any of the Directors during the year under Report.

Note: Mr. Kantilal Kalidas Khakhar, Mr. Ketanbhai Govindbhai Dhulesiya, Mrs. Poonam Hitesh Bagdai and Mr. Janish Navinchandra Ajmera has resigned from the Board of the Company with effect from 22nd May 2023.

### **KEY MANAGERIAL PERSONNEL:**

1. Mr. Hitesh Bagdai, Managing Director
2. Mrs. Dea Vachhani, Company Secretary and Compliance Officer
3. Mr. Anil Rajendran Cheriyaath, CFO

Mr. Anil Rajendran Cheriyaath had been appointed as CFO of the Company w.e.f 17<sup>th</sup> September, 2022.

### **BOARD COMMITTEES:**

As per provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has established and constituted three committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee as a part of better corporate governance practice.

**AUDIT COMMITTEE:** The Company is having an adequate Audit Committee comprising of following Directors:

Sr. No	Name & DIN of the Director	Status	Category
1	Mr. Kantilal Khakhar (DIN: 01957569)	Chairman of Audit Committee	Non – Executive and Independent Director
2	Mr. Ketan Dhulesia (DIN: 02252208)	Member	Non – Executive and Independent Director

## DIRECTORS' REPORT

3	Mr. Bhavdeep Vala(DIN: 00153775)	Member	Executive Director
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Audit Committee of the company respectively met Five times during the year on 07/04/2022, 27/05/2022, 05/08/2022, 11/11/2022 and 08/02/2023. During the year under report, all the recommendations of the Audit Committee were duly considered.

**NOMINATION AND REMUNERATION COMMITTEE:** The Company is having an adequate Nomination and Remuneration Committee comprising of following Directors:

Sr. No	Name & DIN of the Director	Status	Category
1	Mr. Kantilal Khakhar(DIN: 01957569)	Chairman of Nomination & Remuneration Committee	Non – Executive and Independent Director
2	Mr. Ketan Dhulesia(DIN: 02252208)	Member	Non – Executive and Independent Director
3.	Mr. Janish Navinchandra Ajmera (DIN: 06708217)	Member	Non – Executive and Independent Director

Nomination and Remuneration Committee of the company met four times during the year under report respectively on 07/04/2022, 27/05/2022, 11/11/2022 and 08/02/2023. During the year under report, all the recommendations of the Committee were duly considered.

**SHAREHOLDERS GRIEVANCE COMMITTEE:** The Company is having a Shareholder Grievance Committee comprising of following Directors:

Sr. No	Name & DIN of the Director	Status	Category
1	Mr. Ketan Dhulesia (DIN: 02252208)	Chairman of Shareholder Grievance Committee	Non – Executive and Independent Director
2	Mr. Kantilal Khakhar (DIN: 01957569)	Member	Non – Executive and Independent Director
3	Mr. Bhavdeep Vala (DIN: 00153775)	Member	Executive Director

Shareholders Grievance Committee of the company met four times during the year under report respectively on 07/04/2022, 16/08/2022, 11/11/2022 and 08/02/2023. During the year under report, all the recommendations of the Committee were duly considered.

## **DIRECTORS' REPORT**

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has not taken any significant step for conservation of energy during the year under Report. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. Further, during the year under review, there was no foreign earning or expenditure in the Company.

### **PARTICULARS OF EMPLOYEES:**

There are no employees in the Company drawing remuneration of more than Rs. 8,50,000/- per month or Rs.1,02,00,000/- per annum, as prescribed in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **CORPORATE GOVERNANCE:**

Provisions relating to Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to our company. However, company has filed with stock exchange certificate regarding non-applicability of Corporate Governance requirements from a Practicing Company Secretary for every quarter during the year under report. However, in pursuance of applicable provisions of the Companies Act, 2013, the Company has constituted the Audit Committee, Stakeholder Grievances Committee, and Nomination & Remuneration Committee.

### **SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March, 2023, the Company doesn't have any Subsidiary, Joint Venture or Associate Companies.

### **INTERNAL FINANCIAL CONTROLS:**

The company has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting is operating effectively. The Company is well equipped with internal financial control system. The Company has continuous monitoring mechanism which enables the organization to maintain the same standards of the control systems and help them in managing defaults, if any, on timely basis because of strong reporting mechanisms followed by the Company. Our statutory auditor of the company has also provided his opinion on adequacy of internal financial control system in the audit report.

### **VIGIL MECHANISM:**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report their genuine concerns has been established. The Vigil Mechanism Policy has been also adopted by the Company.

## DIRECTORS' REPORT

### **PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:**

The company has in place a policy for prevention, prohibition and redressal of Sexual Harassment at workplace. Appropriate mechanisms are in place for protection against sexual harassment and right to work with dignity.

During the year under review, the company has not received any complaints regarding this matter and there were no suits filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **OTHER DISCLOSURES:**

- Your Company has not invited/ accepted any Deposits under the provisions of Section 73 of the Companies Act, 2013 and the Rules made there under.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There have been no instances of any revision in the Board's Report or the financial statement, hence disclosure under Section 131(1) of the Act.
- The Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not applicable.
- The Company has not issued any shares to any employee, under any specific scheme, and hence, disclosures under Section 67(3) are not required to be made.
- No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.
- The Company is not required to maintain cost records as per the provisions of the Companies Act, 2013.

### **ACKNOWLEDGEMENT:**

Your directors put on record their whole hearted gratitude to bankers, employees of the Company for their sincere efforts for the Company.

Date: 02/09/2023

Place: Rajkot

By Order of the Board of Directors

**For, RAJATH FINANCE LIMITED,**

**HITESH M. BAGDAI**  
**MANAGING DIRECTOR**  
**DIN: 00575732**

**BHAVDEEP V. VALA**  
**DIRECTOR**  
**DIN: 00153775**

**SECRETARIAL AUDIT REPORT**  
**For the financial year ended March 31, 2023**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To  
The Members,  
**RAJATH FINANCE LIMITED**  
208-215 Star Plaza Phulchhab Chowk  
**Rajkot - 360001, Gujarat, India**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rajath Finance Limited [CIN: L65910GJ1984PLC007486]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and maintained by the Company for the financial year ended on 31st March, 2023 and made available to me according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings(Not applicable to the Company during the audit period);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations. (Not applicable to the Company during the audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008(Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client(Not applicable as the Company is not registered as a Registrars to an Issue or Share Transfer Agent during the financial year under review);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable to the Company during the audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable to the Company during the audit period);
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Reserve Bank of India Act, 1934, Non-Banking Prudential Norms (Reserve Bank) Directions, 1998, Non-Banking Finance Company (Establishment and regulation) Rules, 2003, Non-Banking Financial Companies Acceptance OF Public Deposits (Reserve Bank) Directions 1998, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, Consolidated FDI Policy 2013 issued by DIPP, Securitizations Companies and Reconstruction Companies (Reserve Bank) Guideline and Directions, 2003.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India

- (ii) The Listing Agreements entered into by the Company with Stock Exchange pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company

- Local taxes as applicable in the state of Gujarat;

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- The Company has appointed Chief Financial Officer and Internal Auditor w.e.f. 17<sup>th</sup> September, 2022 under Section 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The Company has made contribution more than the limit prescribed specified under section 181 of the Companies Act, 2013.
- The Company has not registered charge as specified under section 77 of the Companies Act, 2013.
- The website of the company is not fully updated as per the requirement of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has not complied under Regulation 47(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company is Structured Digital Database (SDD) Non-Compliant Company pursuant to provisions Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

I further report that:

- a) The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.
- b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The

changes if any in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- d) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, and regulations and guidelines.

I further report that during the period under audit, the following specific events / actions having major bearing on the Company's affairs have not taken place in pursuance of the above referred laws, rules, regulations and standards:

**Place:** Indore (MP)  
**Date:** 26/08/2023

**FOR, Gaurav Agrawal & Associates**  
Company Secretaries  
**CS Gaurav Agrawal**  
Proprietor

C.O.P. No. 16822FCS No. 11498  
UDIN: F011498E000869993  
Peer review Certificate No. 3620/2023

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**



## Annexure A

To  
The Members,  
**RAJATH FINANCE LIMITED**  
208-215 Star Plaza Phulchhab Chowk  
**Rajkot – 360001, Gujarat, India**

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected Annexure to the Secretarial Audit Report in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Indore (MP)  
**Date:** 26/08/2023

**FOR, Gaurav Agrawal & Associates**  
Company Secretaries  
**CS Gaurav Agrawal**  
Proprietor

C.O.P. No. 16822FCS No. 11498  
UDIN: F011498E000869993  
Peer review Certificate No. 3620/2023

**Annexure-2**

**FORM NO. AOC - 2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/ arrangements/ transaction	NA
c)	Duration of the contracts/ arrangements/ transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	NA

Note: The above disclosures on material transactions are based on threshold of 10 percent of turnover of the Company and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Companies Act, 2013.

Date: 02/09/2023  
Place: Rajkot

By Order of the Board of Directors  
**For, RAJATH FINANCE LIMITED,**

**HITESH M. BAGDAI      BHAVDEEP V. VALA**  
**MANAGING DIRECTOR      DIRECTOR**  
**DIN: 00575732          DIN: 00153775**

### ANNEXURE - 3 TO DIRECTORS' REPORT OF RAJATH FINANCE LIMITED

#### ECONOMIC REVIEW

##### Global Economy

As the global economy navigates through various economic challenges, a prevailing sense of optimism continued to drive progress forward. As per the World Economic Outlook released by International Monetary Fund (IMF) in April 2023, baseline forecasts predict a decline in growth from 3.4% in 2022 to 2.8% in 2023, followed by a recovery to 3.0% in 2024.

Escalating fuel and input costs have led to a surge in production costs, resulting in higher prices for goods and services worldwide. The IMF's World Economic Outlook also reported that global inflation peaked at 8.7% in 2022 due to the prevailing inflationary environment. This elevated level of inflation raised concerns among central banks worldwide, leading to a tightening of monetary policies, higher interest rates, and greater volatility in financial markets. However, cooling fuel and commodity prices are anticipated to contribute to a decline in global inflation to 7.0% in 2023 and 4.9% in 2024, thereby easing some of the challenges. Moving forward, coordinated efforts from global economies towards addressing key supply chain challenges as well as tackling geopolitical tensions will be influential in charting the trajectory for the future.

The economic prospects of advanced economies are anticipated to experience a significant slowdown in growth, dropping from 2.7% in 2022 to 1.3% in 2023, owing to geo-economic fragmentation. In contrast, emerging markets and developing economies are expected to have stronger economic prospects, with an average growth rate of 3.9% predicted in 2023, and an anticipated rise to 4.2% in 2024.

(Source: IMF)

##### Indian Economy

The Indian economy has exhibited remarkable progress, demonstrating an exceptional growth trajectory that has outpaced that of several other nations in the process. Nevertheless, the country faced the challenge of soaring inflation levels, exacerbated by the ongoing Russia-Ukraine conflict. Despite collective efforts by the government and the RBI, retail inflation only fell below the RBI's upper tolerance threshold in November 2022. Meanwhile, the Wholesale Price Index (WPI) has dropped by 1,592 basis points from its peak of 16.63% in May 2022, currently standing at 1.34% in 10 months. Conversely, the Consumer Price Index (CPI), which measures retail inflation, reached a 16-month low of 5.66% in March 2023. Starting with the first repo rate hike in May 2022, policymakers have raised the repo rate six times during FY 2022-23, resulting in a cumulative increase of 250 basis points to the current level of 6.50%, with the most recent increase occurring in February 2023.

(Source: Morgan Stanley Report on Investment in India)

Despite facing these challenges, India is poised to remain the fastest-growing major economy, with numerous international agencies projecting a growth rate of 6.5-7.0% in FY 2022-23. This optimistic outlook is partly attributable to the Indian economy's resilience, which has witnessed a resurgence in private consumption, now the primary growth driver, surpassing export incentives. The increase in private consumption has also spurred production and enhanced capacity utilisation across multiple sectors.

## MANAGEMENT DISCUSSION AND ANALYSIS

The convergence of three major trends - global offshoring, digitalisation, and energy transition - is set to pave the way for unprecedented growth in the country. As geopolitical uncertainties recede, consumer sentiment is expected to improve, providing a significant impetus to all sectors. India's significant investments in technology, infrastructure, and energy will position it towards the trajectory of becoming one of the world's leading economies in the coming decade.

### Industry Overview

NBFCs have become important constituents of India's financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs continue to leverage their superior understanding of regional dynamics and customised products and services to expedite financial inclusion in India. Lower transaction costs, innovative products, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, these are well-suited to bridge the financing gap in a large country like India. Systemically important NBFCs have demonstrated agility, innovation and frugality to provide formal financial services to millions of Indians.

The growing importance of NBFCs is reflected in the consistent rise of their credit as a proportion to GDP as well as in relation to credit extended by SCBs to the NBFC sector.

This is an enviable track record despite the business models of the NBFCs being severely tested by four large external events in the last few years, namely,

- (i) demonetisation,
- (ii) GST implementation,
- (iii) failure of few large NBFCs, and
- (iv) the pandemic.

The fact that many NBFCs have managed to overcome these stresses without significant impact on financial position is a testimony to their resilience and agility.

In recent years as the impact of the second COVID-19 wave waned and the third wave turned out to be shortlived, the NBFC sector regained momentum, cushioned by proactive policy measures announced by the RBI and the Government. The economic survey has observed that credit extended by NBFCs is picking up momentum, with the aggregate outstanding amount at H 31.5 trillion as on September 2022. NBFCs continued to deploy the largest quantum of credit to the industrial sector, followed by retail, services, and agriculture. Loans to the services sector (share in outstanding credit being 14.7%) and personal loans (share of 29.5%) registered a double-digit growth.

Given the increasing importance of NBFCs, the RBI, in the last few years, has increased its regulatory oversight over the sector. Multiple guidelines such as

- (i) vigil over asset-liability management practices,
- (ii) maintaining liquidity ratios,
- (iii) increased reporting requirements, and
- (iv) scale-based regulation,

have led to NBFCs adopting practices in line with banks.

The regulatory vigil is based on four key cornerstones of:

- (i) responsible financial innovation,
- (ii) accountable conduct,

## MANAGEMENT DISCUSSION AND ANALYSIS

- (iii) responsible governance, and
- (iv) centrality of the customer.

The recently adopted changes to the finance bill withdrawing exemptions on long term capital gains to investors in debt mutual funds is estimated to have minimal impact on the NBFC sector given limited exposure of mutual funds in long term papers of NBFCs.

We reiterate what we underscored in the previous year. We believe that NBFCs with superior capital adequacy, better margins, frugal cost management, prudent risk management and those incorporating above four key cornerstones in their business models will continue to deliver sustainable growth in the foreseeable future.

### Segments

Rajath Finance Limited does not have multiple segments, and hence, comments are not required.

### Performance

During the year under Report the Company has recorded total revenue from operations of Rs. 33.12 (In Lacs). Major part of the revenue of the Company is generated through interest income.

During the year under review the Company had incurred Net Loss of Rs. 11.06 (In Lacs) as compared to the profit of Rs. 24.16 (In lacs) during the previous financial year 2021-22. Management of the Company has made total effort to increase the profit.

### Opportunities And Threats

There are some of the opportunities for the future of NBFC in India which would help them to growth and emerge and contribute in the economy. One of the biggest opportunities for NBFC is its new to credit investment customers. Such customers are those people who belong from the rural area and have never borrowed credits or loans from any financial institution in the past. The NBFC industry also holds immense potential and the Government of India's increased focus towards financial inclusion has created various opportunities for existing NBFC to leverage on their established customer base in rural areas. The huge market size undoubtedly presents a huge opportunity too.

Over the years, Rajath Finance Limited has understood and hence anchors to the belief that every opportunity is as good as its execution. The most significant threat for any lending activity is to constantly exhibit operational excellence and contain the loss given defaults within the acceptable limits. The Company believes that this task is to be worked upon continuously through a very sharp learning and unlearning in order to achieve operational excellence.

For supporting the growth of NBFCs includes better product lines, wider and effective reach, quick turnaround time, short risk management capability and better understanding of customer segment.

The young generation of India is rapidly adopting Technology to interact and to transact with the world. New technology such as cloud and analytics are gaining importance. This all would provide a huge opportunity to nimble and innovative players in the financial sector to use technology to strengthen their business. Technology can be used to reach the customers in a cost-effective manner and better risk control and pricing.

## MANAGEMENT DISCUSSION AND ANALYSIS

In the financial service industry security of data is of utmost importance. A regular and continuous threat for the firms is data theft malicious malware and email. Technology has not only increased the player, vendors and customers but has also added multiple threats to the business. Cyber threats are getting larger in scale and size.

### Internal Control System

The Company has designed and implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorised, recorded and reported correctly. The System ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, and information security.

### Risk Management And Compliance

As company is not a part of the top thousand entity based on the Market Capitalization as list out by the Stock exchange, therefore constitution of the Risk Management Committee is not applicable to the company. The Company ensures compliance of all applicable laws and changes in the law and applicable regulations including Company laws, SEBI Act and regulations, BSE Listing regulations, employment and immigration, taxation, health safety and environment, data privacy, anti-bribery and anti-corruption regulations. As in the case of any lending entity, the entire proposition of the Company – providing finance to various segments of the economy is on the fundamentals of managing the risk rather than avoiding it. With tried and tested credit models and robust operational systems in place, the Company successfully manages these risks.

### Cautionary Statements

All statements made in Management and Discussion Analysis has been made in good faith. Many unforeseen and unexpected factors may come into play and affect the actual results, which could be different from what the Management envisages in terms of performance and outlook. Market data, industry information etc. contained in this Report have been based on information gathered from various published and unpublished reports and their accuracy, reliability, and completeness cannot be assured.

Factors such as economic conditions affecting demand/ supply and priced conditions in domestic & international markets in which the Company operates, and changes in Government regulations, tax laws, other statues and other incidental factors, may affect the final results and performance of the Company.

### Key Financial Ratios

Analysis of key financial ratio for the year as compared to previous financial year is as given under:

S No.	Ratio Analysis	Unit of Ratio in	FY 2022-23	FY 2021-22
1	Current Ratio	Times	92.68	16.41
2	Debt Equity Ratio	Times	0.00	0.00
3	Return on Equity Ratio	%	(0.02)	3.49
4	Inventory turnover Ratio	Times	15.63	16.14
5	Net Capital Turnover Ratio	%	4.80	4.88
6	Net Profit Ratio	%	(33.79)	71.46
7	Return on Capital Employed	%	(1.62)	3.49

## MANAGEMENT DISCUSSION AND ANALYSIS

8	Return on Investment	%	(1.62)	3.49
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Date: 02/09/2023

Place: Rajkot

By Order of the Board of Directors

**For, RAJATH FINANCE LIMITED,**

**HITESH M. BAGDAI**  
**MANAGING DIRECTOR**  
**DIN: 00575732**

**BHAVDEEP V. VALA**  
**DIRECTOR**  
**DIN: 00153775**

**Annexure-4**  
**COMPLINACE CERTIFICATION**

(Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015)

To,  
The Board of Directors,  
Rajath Finance Limited  
208-215, Star Plaza, Phulchhab Chowk, Rajkot 360001, Gujarat

Dear Sir/Madam,

Pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, We undersigned hereby declare and certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year 2022-23 and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 02/09/2023

Place: Rajkot

**For, RAJATH FINANCE LIMITED,**

**Hitesh M. Bagdai**  
**Managing Director**  
**DIN: 00575732**

**Anil Cheriyaath**  
**Chief Financial Officer**  
**PAN AFSPC3138E**



# **RAJATH FINANCE LTD.**

## **Statutory Audit Report** **(F.Y. 2022-23)**

**Auditor:**

**A.D. Vyas & Co.**

Chartered Accounts

Nayin Complex, Kotecha Nagar Main Road,

Opp. Kotecha Girls High School



## **Independent Auditor's Report**

To the Members of **M/S RAJATH FINANCE LTD.**

### **Report on the Audit of the Standalone Financial Statements**

#### Opinion

We have audited the financial statements of M/S RAJATH FINANCE LTD. ("The Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its profit/loss and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has



adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us



to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend have been declared or paid during the year by the company.

Place:-Rajkot  
Date: 22/05/2023  
UDIN:  
23124446BGXRPR8179



For A. D. Vyas & Co.  
Chartered Accountants  
FRN: 113588W

*Jasmin.*

JASMIN D. UMRANIYA  
(PARTNER )  
Membership No. 124446

**The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- (iii) During the year the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) In respect of loans, investments, guarantees, and security, provisions of sections 185 and 186 of the Companies Act have been complied with.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.



- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,
- (d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.





- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a Nidhi Company. Therefore, clause xii is not applicable on the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company does not require to have an internal audit system.
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) In our Opinion and based on our examination, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the registration has been obtained;
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.



- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:-Rajkot  
Date: 22/05/2023



For A. D. Vyas & Co.  
Chartered Accountants  
FRN: 113588W

*Jasmin*  
JASMIN D. UMRANIYA  
(PARTNER)  
Membership No. 124446

***Report on Internal Financial Controls with reference to financial statements***

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/S RAJATH FINANCE LTD. ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control



stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Rajkot  
Date: 22/05/2023

For A. D. Vyas & Co.  
Chartered Accountants  
FRN: 113588W

*Jasmin.*

JASMIN D. UMRANIYA  
(PARTNER)  
Membership No. 124446



A. D. Vyas

Com., F.C.A., D.L.S.A.

# A. D. Vyas & Co.

*Chartered Accountants*

## Auditor's Additional Report

**The Board of the Directors**

**Rajath Finance Ltd.**

**Rajkot**

1. This report is issued in accordance with the requirements of Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 (the "Directions") and on the basis of explanation provided by management of Rajath Finance Ltd. (hereinafter referred to as the "Company") and to the best of our knowledge and belief, for the year ending on 31<sup>st</sup> March, 2023, we report that
2. We have audited the accompanying financial statements of Company comprising Balance Sheet as at March 31, 2023 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued our report dated 12/05/2023.

### Management's Responsibility for the Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



4. The Management is also responsible for compliance with the Reserve Bank of India (hereinafter RBI or Bank) Act, 1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

#### **Auditor's Responsibility**

5. Pursuant to the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 as consolidated in RBI Master circular, it is our responsibility to examine the audited books and records of the Company for the year ended 31-03-2023 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination in accordance with the 'Guidance Note on Audit reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India

#### **Opinion**

7. Based on our examination of the audited books and records of the Company for the year ended 31-03-2023 as produced for our examination and the information and explanations given to us we report that:
  - 7.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration (CoR) from the bank bearing registration number 01.00245 dated 14<sup>th</sup> May, 2003.
  - 7.2 The Company is entitled to continue to hold such CoR in terms of its asset as on March 31, 2023.
  - 7.3 Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No: 85/03.02.089 /2006-07 dated 6th December, 2006, the company is not an Asset Finance Company (AFC) for the financial year 2021-22.
  - 7.4 Based on the criteria set forth by the Bank in the Notification viz. Non-Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2011 dated December 02, 2011 for classification of NBFCs as NBFC-MFIs, the company is not a NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the financial year 2021-22.
  - 7.5 The Company has not accepted any public deposits during the year ended March, 2023.



- 7.6 The Company has complied with the prudential norms relating to income recognition, accounting standards asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended up to the date of this report).
- 7.7 Company has not obtained membership of all four Credit Information Companies (CICs) and registered itself with CERSAI for CKYC as required in terms of relevant provisions of RBI Master Directions, Prevention of Money Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

#### **Restriction on Use**

8. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing said in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
9. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used by any other person or for any other purpose. A. D. Vyas & Co neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

**Place: Rajkot**  
**Date: 22/05/2023**



**For, A.D.Vyas & Co.**  
**Chartered Accountants**  
**(FRN: 1135588W)**

*Jasmin*

**JASMIN D. UMRANIYA**  
**(Partner)**  
**M.No.124446**  
**UDIN: 23124446BGXRPR8179**



**Rajath Finance Limited**

Standalone Ind As Balance Sheet as on 31-03-2023

(Rupees in Thousand)

	Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
<b>ASSETS</b>				
<b>-1 Financial Assets</b>				
(a)	Cash and cash equivalents	2	1,037.81	13,143.91
(b)	Bank Balance other than (a) above		-	-
(c)	Derivative financial instruments		-	-
(d)	Receivables		-	-
	(I) Trade Receivables		-	-
	(II) Other Receivables		-	-
(e)	Loans	3	61,600.12	53,711.57
(f)	Investments	4	1.50	1.50
(g)	Other Financial assets (to be specified)	5	481.55	460.60
			<b>63,120.98</b>	<b>67,317.58</b>
<b>-2 Non-financial Assets</b>				
(a)	Inventories	6	209.43	209.43
(b)	Current tax assets (Net)		-	-
(c)	Deferred tax Assets (Net)	7	988.68	655.24
(d)	Investment Property		-	-
(e)	Biological assets other than bearer plants		-	-
(f)	Property, Plant and Equipment	8	10,700.60	2,196.22
(g)	Capital work-in-progress		-	-
(h)	Intangible assets under development		-	-
(i)	Goodwill		-	-
(j)	Other Intangible assets		-	-
(k)	Other non-financial assets (to be specified)		-	-
			<b>11,898.71</b>	<b>3,060.89</b>
	<b>Total Assets</b>		<b>75,019.70</b>	<b>70,378.47</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>-1 Financial Liabilities</b>				
(a)	Derivative financial instruments		-	-
(b)	Payables	9	-	-
	(i) Trade Payables		-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		357.60	1,070.13
	(ii) Other Payables		-	-



	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16.42	4.32
(c)	Debt Securities		-	-
(d)	Borrowings (Other than Debt Securities)	10	6,401.37	-
(e)	Deposits		-	-
(f)	Subordinated Liabilities		-	-
(g)	Other financial liabilities(to be specified)		-	-
			<b>6,775.39</b>	<b>1,074.45</b>
<b>-2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (Net)			
(b)	Provisions	11	66.60	20.00
(c)	Deferred tax liabilities (Net)			
(d)	Other non-financial liabilities(to be specified)		-	-
			<b>66.60</b>	<b>20.00</b>
<b>-3</b>	<b>EQUITY</b>			
(a)	Equity Share capital	1	40,000.00	40,000.00
(b)	Other Equity	1	28,177.71	29,284.03
			<b>68,177.71</b>	<b>69,284.03</b>
	<b>Total Liabilities and Equity</b>		<b>75,019.70</b>	<b>70,378.47</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113588W)

*Jasmine*

JASMIN D. UMRANIYA

PARTNER

Membership No.: 134446

Place: Rajkot

Date: 23/06/2023

UDIN: 23124446BGRPR8179



*B. V. V.*  
Bhavdeep Vata

Director

DIN: 00163775

For and on behalf of the Board of Directors

*[Signature]*  
Hitesh  
Ranval  
Managing  
Director  
DIN:  
00575732

*Dea N. Vachhani*  
*nida*  
Company Secretary  
*cash*  
compliance officer

*Anil C.R.*  
*Anil*  
- C.F.O.

**Standalone Ind AS Statement of Profit and Loss**

For the year ended March 31, 2023

(Rupees in Thousand)

	Particulars	Note No.	Year Ended	Year Ended
			31.03.2023	31.03.2022
	<b>Revenue from operations</b>			
(i)	Interest Income	11	3,274.04	3,381.20
(ii)	Dividend Income	12	38.00	48.20
(iii)	Rental Income			
(iv)	Fees and commission Income			
(v)	Net gain on fair value changes			
(vi)	Net gain on derecognition of financial instruments under amortised cost category			
(vii)	Sale of products(Including Excise Duty)			
(viii)	Sale of services			
(ix)	Others (to be specified)			
(I)	<b>Total Revenue from operations</b>			
(II)	Other Income (to be specified)		-	-
(III)	<b>Total Income (I+II)</b>		<b>3,312.04</b>	<b>3,429.40</b>
	<b>Expenses</b>			
(i)	Finance Costs			
(ii)	Fees and commission expense			
(iii)	Net loss on fair value changes			
(iv)	Net loss on derecognition of financial instruments under amortised cost category			
(v)	Impairment on financial instruments			
(vi)	Cost of materials consumed			
(vii)	Purchases of Stock-in-trade			
(viii)	Changes in Inventories of finished goods, stock-in- trade and work-in- progress	13	-	-
(ix)	Employee Benefits Expenses	14	885.30	809.79
(x)	Depreciation, amortization and impairment		900.38	80.88
(xi)	Others expenses (to be specified)	15	2,966.11	-711.42
(IV)	<b>Total Expenses (IV)</b>		<b>4,751.80</b>	<b>179.25</b>
(V)	Profit / (loss) before exceptional items and tax (III- IV)		-1,439.76	3,250.15
(VI)	Exceptional items			



(VII)	Profit/(loss) before tax (V-VI)		
(VIII)	Tax Expense:		
	(1) Current Tax		
	(2) Deferred Tax	-333.44	-828.67
	Excess/short provision relating earlier year tax		-5.38
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)	-1,106.32	2,416.09
(X)	Profit/(loss) from discontinued operations		
(XI)	Tax Expense of discontinued operations		
(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)		
(XIII)	Profit/(loss) for the period (IX+XII)	-1,106.32	2,416.09
(XIV)	Other Comprehensive Income		
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)		
	(ii) Income tax relating to items that will not be reclassified to profit or loss		
	Subtotal (A)		
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		
	(ii) Income tax relating to items that will be reclassified to profit or loss		
	Subtotal (B)		
	Other Comprehensive Income (A + B)	-	-
(XV)	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)	-1,106.32	2,416.09



(XVI)	Earnings per equity share (for continuing operations)		
	Basic (Rs.)	-0.28	0.60
	Diluted (Rs.)	-	1
(XVII)	Earnings per equity share (for discontinued operations)		
	Basic (Rs.)	-	-
	Diluted (Rs.)	-	-
(XVIII)	Earnings per equity share (for continuing and discontinued operations)		
	Basic (Rs.)	-0.28	0.60
	Diluted (Rs.)	-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113688W)

*Jasmin*

JASMIN D. UMRANIYA

PARTNER

Membership No.: 124446

Place: Rajkot

Date: 22/05/2023

UDIN: 23124446BGXRPR8179



Bhavdeep Vals *B. Vals*

Director

DIN: 00153775

For and on behalf of the Board of Directors

*Hitesh Bagdel*  
Hitesh Bagdel  
Managing Director  
DIN: 00875732

*Dea N. Vachhani*

*Dea*  
CS

Company Secretary  
cum  
compliance officer

*Dril. C.R.*

*Dril*

C.F.O

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2023

Rupees in Thousand

	PARTICULARS	31st March 2023	31st March 2022
A.	<b>Cash Flow From Operating Activities</b>		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	-1,439.76	3,250.15
	Adjustments for non Cash/ Non trade Items:		
	Depreciation & Amortization Expenses	900.38	-1,953.07
	Dividend income	-38.00	-48.20
	Other Inflows / (Outflows) of cash	0.00	0.00
	<b>Operating profits before Working Capital Changes</b>	<b>-577.38</b>	<b>1,248.88</b>
	Adjusted For:		
	Increase / (Decrease) in trade payables	-712.53	-3,365.22
	Increase / (Decrease) in other current liabilities	-2,909.62	11.12
	(Increase) / Decrease in Short Term Loans & Advances	-4,941.18	10,470.41
	<b>Cash generated from Operations</b>	<b>-8,553.33</b>	<b>7,116.31</b>
	Income Tax (Paid) / Refund		-5.38
	<b>Net Cash flow from Operating Activities(A)</b>	<b>-9,140.70</b>	<b>8,359.81</b>
B.	<b>Cash Flow From Investing Activities</b>		
	Purchase of tangible assets	-9,404.77	0.00
	Non Current Investments / (Purchased) sold	0.00	0.00
	Dividends received	38.00	48.20
	<b>Net Cash used in Investing Activities(B)</b>	<b>-9,366.77</b>	<b>48.20</b>
C.	<b>Cash Flow From Financing Activities</b>	<b>6,401.37</b>	



	PARTICULARS	31st March 2023	31st March 2022
D.	Net increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	-12,106.09	8,408.01
E.	Cash & Cash Equivalents at Beginning of period	13,143.91	4,735.90
F.	Cash & Cash Equivalents at End of period	1,037.82	13,143.91
G.	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	-12,106.09	-8,408.01

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For A. D. Vyas & Co.

Chartered Accountants

(FRN: 113528W)

*Jasmine*

JASMIN G. UMRANIYA

PARTNER

Membership No.: 124446

Place: Rajkot

Date: 22/05/2023

UDIN: 23124446BGXRPR8179



For and on behalf of the Board of Directors

*Bhardeep Vata*

Bhardeep Vata

Director

DIN: 00152775

*Hitesh Bagdol*

Hitesh Bagdol  
Managing Director

DIN:  
00576722

*Dea N Vachhani*

*mDea*

*Company Secretary  
cash  
compliance officer*

*Anil. C.R.*

*Anil*  
(C.F.O)

Note:

1. The Cash Flow Statement has been prepared by Indirect Method as per AS-3 issued by ICAI.
2. Figures of previous year have been rearranged/regrouped wherever necessary
3. Figures in brackets are outflow/deductions

Note No. 1 Share Capital

(Rupees in Thousand)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorized :</b>		
7500000 (31/03/2019:7500000) Equity shares of Rs. 10.00/- par value	75000.00	75000.00
<b>Issued :</b>		
4000000 (31/03/2019:4000000) Equity shares of Rs. 10.00/- par value	40000.00	40000.00
<b>Subscribed and paid-up :</b>		
4000000 (31/03/2019:4000000) Equity shares of Rs. 10.00/- par value	40000.00	40000.00
<b>Total</b>	<b>40000.00</b>	<b>40000.00</b>

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

(Rupees in Thousand)

	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	4000.00	40000.00	40000.00	40000.00
Issued during the Period	Nil	Nil	Nil	Nil
Redeemed or bought back during the period	Nil	Nil	Nil	Nil
<b>Outstanding at end of the period</b>	<b>4000.00</b>	<b>40000.00</b>	<b>4000.00</b>	<b>40000.00</b>

Details of shareholders holding more than 5% shares in the company

Type of Share Name of Shareholders

Type of Share	Name of Shareholders	As at 31st March 2023		As at 31st March 2022	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00]	Hitesh Bagdai	8,96,853	22.42	8,96,853	22.42
Equity [NV: 10.00]	Poonam Bagdai	8,96,851	22.42	8,96,851	22.42
Equity [NV: 10.00]	Bhavdeep Vals	8,96,851	24.92	8,96,851	24.82
Equity [NV: 10.00]	Samco Securities Limited	8,26,012	20.65	8,26,012	20.65
	<b>Total :</b>	<b>36,16,567</b>	<b>90.41</b>	<b>36,16,567</b>	<b>90.41</b>

Details of Shareholding by Promoters

Type of Share	Name of Shareholders	No. of Shares as on 31-03-2022	No. of Shares as on 31-03-2021
Equity [NV: 10.00]	Hitesh Bagdai	8,96,853	8,96,863
Equity [NV: 10.00]	Poonam Bagdai	8,96,851	8,96,851
Equity [NV: 10.00]	Bhavdeep Vals	9,96,851	9,96,851





**Note: 2. Cash and cash equivalents**

(Rupees in Thousand)

Particulars	As	at	As	at
	31.03.2023	31.03.2022	31.03.2022	
Cash on Hand	159.35		380.78	
	-		-	
Balance with Bank				
- In Current Accounts	878.47		12,763.13	
<b>Total</b>	<b>1,037.81</b>		<b>13,143.91</b>	



NOTE NO.3 LOANS

(Rupees in Thousand)

	(Current Year)					(Previous Year)					
	At Fair Value				Sub-total	Total	At Fair Value			Sub-total	Total
Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	(5 = 2 + 3 + 4)			Amortised cost	Through Other Comprehensive Income	Through profit or loss		
Loans	-1	-2	-3	-4		-7	-8	-9	-10		
(A)											
(i) Bills Purchased and Bills Discouraged	-	-	-	-	-	-	-	-	-	-	-
(ii) Loans repayable on Demand	61,847.51	-	-	-	-	56,927.28	-	-	-	-	56,927.28
(iii) Term Loans	-	-	-	-	-	-	-	-	-	-	-
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-
(vi) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	61,847.51	-	-	-	-	56,927.28	-	-	-	-	56,927.28







Investments	(Current Year)						(Previous Year)							
	Amortised cost	At Fair Value			Sub-Total	Others	Total	Amortised cost	At Fair Value			Sub-Total	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss					Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
1	2	3	4	(5) = (2) + (3) + (4)	6	(7) = (5) + (6)	8	9	10	11	(12) = (9) + (10) + (11)	13	(14) = (12) + (13)	
Investments														
Amortised cost	-1				(5) = (2) + (3) + (4)	(7) = (5) + (6)	-8	-9	-10	-11	(12) = (9) + (10) + (11)	-13	(14) = (12) + (13)	
Through Other Comprehensive Income	-2													
Through profit or loss	-3													
Designated at fair value through profit or loss	4													
Others														
Total														
Amortised cost														
Through Other Comprehensive Income														
Through profit or loss														
Designated at fair value through profit or loss														
Others														
Total														
Equity instruments	1.5	0	0	0	0	1.5	1.5	0	0	0	0	0	1.5	
Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	
Associates	0	0	0	0	0	0	0	0	0	0	0	0	0	
Joint Ventures	0	0	0	0	0	0	0	0	0	0	0	0	0	
Others (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total - Gross (A)	1.5	0	0	0	0	1.5	1.5	0	0	0	0	0	1.5	





**Note: 5 Other financial Assets**

(Rupees in Thousand)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured considered good		
At amortised Cost		
Security Deposit	269.62	269.62
Other advances	211.93	190.98
<b>Total</b>	<b>481.55</b>	<b>460.60</b>



Note No.6 inventories

(Rupees in Thousand)

Particulars	31st March 2023	31st March 2022
Inventory at the end of the year		
Shares	209.43	209.43
	209.43	209.43
Inventory at the beginning of the year		
Shares	209.43	209.43
	209.43	209.43





Note No. 7 Deferred Tax

(Rupees in Thousand)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax liability		
Deferred tax liability depreciation	608.88	461.92
Gross deferred tax liability	608.88	461.92
Deferred tax assets		
Deferred tax asset on npa provision	82.27	809.39
Deferred tax asset on loss	1,535.29	307.77
Gross deferred tax asset	1,597.56	1,117.16
Net deferred tax assets	988.68	655.24



Note No. 8 Property, Plant and Equipment as at 31st March 2023

R

Rupees in Thousand

Assets	Useful Life (in Years)	Gross carrying amount 1st April 2022	Gross Block				Accumulated Depreciation/ Amortisation and Impairment				Net carrying amount		
			Additions during the year	Addition on account of business acquisition	Disposals	Gross carrying amount 31st March 2023	Balance as at 1st April 2022	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2023	Balance as at 31st March 2023	Balance as at 31st March 2022	
<b>Own Assets:</b>													
Premises	60	3,494.51	-	-	0	3,494.51	1,325.39	58.50	Nil	1,383.98	2,110.52	2,189.23	
Office Equipments	5	178.64	-	-	-	178.64	178.64	-	Nil	178.64	-	-	
Air Conditioners	5	39.13	38.00	-	-	77.13	39.13	7.22	Nil	46.35	30.78	-	
Furniture and Fixtures	10	2,188.21	-	-	-	2,188.21	2,179.54	1.43	Nil	2,179.97	8.24	9.65	
Computers	3	1,680.51	72.50	-	-	1,753.11	1,663.28	22.75	Nil	1,686.03	67.08	17.33	
Motorcycles	-	-	8,294.27	-	-	8,294.27	-	810.38	Nil	810.38	8,453.89	-	
Total (A)		7,581.21	9,404.77	-	Nil	16,986.97	6,384.99	900.39	Nil	6,285.37	10,700.60	2,196.22	
P.Y Total		7,581.21	-	Nil	Nil	7,581.21	5,304.11	80.88	Nil	5,384.99	2,196.22	2,277.10	

Method of Depreciation: Straight Line Method

General

No depreciation if remaining useful life is negative or zero.

Depreciation is calculated on pro-rata basis in case assets is purchased/sold during current F.Y.

If above assets is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.

In case of leap year, depreciation is calculated on the basis of 366 days in a year.



## Note No. 9 Payables

(Rupees in Thousand)

Particulars	As at 31st March 2023	As at 31st March 2022
(I) Trade Payables		
Creditors for Expenses	357.60	1,070.13
Gross Trade Payables	357.60	1,070.13
(II) Other Payables		
Professional Tax Payables	10.72	4.32
TDS Payable	5.70	
Gross Other Payables	16.42	4.32
Gross Payables	374.02	1,074.45

## Ageing for Trade Payables as at 31-03-2023

(Rupees in Thousand)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME						
Others	362.80	0.00	0.00	0.00	0.00	362.80



**Note No. 10 Provisions**

← Rupees in Thousand

Particulars	As at 31st March 2023			As at 31st March 2022		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Provision for leave encasement	Nil	0	0	Nil	0	0
Provision for bonus	Nil	6.60	6.60	Nil	0	0
Other provisions	Nil	6.60	6.60	Nil	0	0
Audit fee provisions	Nil	10	10	Nil	20	20
Other provisions	Nil	50	50	Nil		
	Nil	60	60	Nil	20	20
<b>Total</b>	Nil	66.60	66.60	Nil	20	20



(J) Borrowings (Other than Debt Securities)

	(Current Year)				(Previous Year)			
	At Amortised Cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	-1	-2	-3	(4)=(1)+(2) 3	-1	-2	-3	(4)=(1)+(2) 3
(a) Term loans								
(i) from banks	6401.371	0	0	6401.371				
(ii) from other parties	0							
(b) Deferred payment liabilities	0							
(c) Loans from related parties	0							
(d) Finance lease obligations	0							
(e) Liability component of compound financial instruments	0							
(f) Loans repayable on demand	0							
(i) from banks								
(ii) from								
(g) Other Loans (specify nature)								
<b>Total (A)</b>								
Borrowings India	6401.371			6401.371				
Borrowings outside India								
<b>Total (B) to tally with (A)</b>	<b>6401.371</b>			<b>6401.371</b>				



Note No. 11 Interest Income

Rupees in Thousand

Particulars	(Current Year)			(Previous Year)		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets Classified at fair Value through profit or Loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans		3,274.04			3,381.20	
Interest income from investments						
Interest on deposits with Banks						
Other interest Income						
<b>Total</b>		<b>3,274.04</b>			<b>3,381.20</b>	

Note No. 12 Dividend Income

Particulars	31st March 2023	31st March 2022
Dividend	38.00	48.20
<b>Total</b>	<b>38.00</b>	<b>48.20</b>



Note No. 14 Changes in inventories

Rupees in Thousand

Particulars	31st March 2023	31st March 2022
Inventory at the end of the year		
Shares	209	209
	209	209
Inventory at the beginning of the year		
Shares	209	209
	209	209

Note No. 15 Employee benefit expenses

Rupees in Thousand

Particulars	31st March 2023	31st March 2022
Salaries and Wages	878.70	798.96
Staff welfare Expenses		
Bonus to employees	6.60	6.60
Leave Encashment	0.00	4.23
	6.60	10.83
Total	885.30	809.79



Note No. 16 Other expenses

Rupees in  
Thousand

Particulars	31st March 2023	31st March 2022
Advertising expenses	48.07	48.57
Annual custodial fee	21.24	21.24
Audit fees	14.75	10.00
Repairs and maintenance expenses	1.90	2.00
Travelling Expenses	579.00	149.05
D-mat charges	2.05	0.58
Donations	115.00	-
Electricity expenses	30.79	27.39
Interest on late payment of taxes	4.62	0.53
Information technology expenses	5.50	5.30
Legal and professional expenses	1,349.85	173.84
Listing fee	354.00	364.82
Office exp.	37.03	32.56
Car Loan Interest	383.93	-
Telephone and postage expenses	5.08	0.42
Printing and stationery	-	-
Provision against npa	-3,000.00	-2,000.00
Bad debts expense	3,000.00	-
Provision against standard assets	31.68	-33.95
Car hire charges	-	480.00
Misc exp.	1.25	1.00
Bank Charges	0.38	7.45
Membership Fee	-	-
<b>Total</b>	<b>2,966.11</b>	<b>-711.42</b>





Note No. 17 Earning Per Share

in rupees

Particulars	Before Extraordinary items		After Extraordinary items	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Basic				
Profit after tax (A)	-11,06,319	24,16,091	-11,06,319	24,16,091
Weighted average number of shares outstanding (B)	40,00,000	40,00,000	40,00,000	40,00,000
Basic EPS (A / B)	(0.28)	0.60	(0.28)	0.60
Face value per share	10	10	10	10



**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS**

**A. Significant Accounting Policies**

**1. Basis of accounting -**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

**2. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**3. Revenue Recognition -**

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**a. Income on Loan Transactions**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognized on non-performing assets as per the prudential norms for income recognition issued by RBI for NBFCs. Interest income on such assets are recognized on receipt basis.

**b. Other Income**

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

**4. Property, Plant & Equipment -**

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.



5. Depreciation :-

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Investments :-

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Dividend is accrued when the right to receive is established i.e. when declared by the investee company.

7. Inventories :-

Inventories are valued as under:-

1. Inventories : At cost value

8. Taxes on income :-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

9. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.



Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

**(B) Notes on Financial Statements**

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Salaries includes directors remuneration on account of salary Rs.4,50,000/-
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
4. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
5. No provision for retirement benefits has been made, in view of accounting policy No. 11. The impact of the same on Profit & Loss is not determined.
6. Related Party disclosure as identified by the company and relied upon by the auditors:

**(A) Related Parties and their Relationship**

**(i) Key Management Personnel**

1. Hitesh M Bagdai
2. Bhavedeep Vala
3. Poonam Bagdai
4. Kantilal Khakhar
5. Ketanbhai Dhulesiya
6. Janish Ajmera
7. Dev Vachhani

**Transactions with Related parties (Figure in Lacs)**

Particulars	Transactions during the year			
	Current Year		Previous year	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Remuneration Paid	4.50	-	4.50	-
Rent Paid	-	-	4.80	-



7. % of imported & indigenous raw material & consumables

Particulars	2023		2022	
	%	Amount	%	Amount
Imported	0.00	0.00	0.00	0.00
Indigenous	0.00	0.00	0.00	0.00

8. Value of Imports

Raw Material	Nil	Nil
Finished Goods	Nil	Nil

9. Expenditure in Foreign Currency Nil Nil

10. Earning in Foreign Exchange Nil Nil

11. Previous year figures have been regrouped/rearranged wherever necessary.

Signature to notes 1 to 11

In terms of Our Separate Audit Report of Even Date Attached.

For A. D. Vyas & Co.  
Chartered Accountants

*Jasmine*

JASMIN D. UMRANIYA  
Partner  
Membership No. 124446  
Registration No. 113588W  
Place: - Rajkot  
Date: - 22/05/2023



For M/S RAJATH FINANCE LTD.

*[Signature]*

Hitesh Bagdai  
Director

DIN : 00575732

*BV*

Bhavdeep Vala  
Director

DIN : 00153775

*Dea N. Vachhani*

*mDea*

*C.S.*  
*Company Secretary*

*curb*

*Compliance officer*

*Boil C.R.*

*[Signature]*

*C.F.O.*

Ratio Analysis			
PARTICULARS	Unit	2022-23	2021-22
Current Ratio	Times	92.68	16.41
Debt-Equity Ratio	Times	0	0
Debt Service Coverage Ratio	Times	0	0
Return on Equity Ratio	%	-0.02	3.49
Inventory Turnover Ratio	Times	15.63	16.14
Trade Receivable Turnover Ratio	Times	0.00	0.00
Net Capital Turnover Ratio	%	4.80	4.88
Net Profit Ratio	%	-33.79	71.46
Return on Capital Employed	%	-1.62	3.49
Return on Investment	%	-1.62	3.49



**Form No. MGT-11****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN : L65910GJ1984PLC007486  
 Name of the company : Rajath Finance Limited  
 Registered office : 208 - 215 Star Plaza, Phulchhab Chowk, Rajkot – 360 001 Gujarat, India

Name of the Member	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP Id*	

I/We, being the member (s) of ..... shares of the above-named company, hereby appoint

1. Name:  
 Address:  
 s:  
 E-mail Id:  
 Signature: ....., or failing him
  
2. Name:  
 Address:  
 s:  
 E-mail Id:  
 Signature: ....., or failing him
  
3. Name:  
 Address:  
 s:  
 E-mail Id:  
 Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company, to be held on the 30<sup>th</sup> day of September, 2023 at 03.00 p.m. at 208 - 215 Star Plaza, Phulchhab Chowk, Rajkot – 360 001 Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.
2	To appoint a director in place of Mr. Bhavdeep Vajubhai Vala [DIN: 00153775], who retires by rotation and, being eligible, offers himself for re-appointment.
<b>Special Business</b>	
3	Appointment of Mr. Gautam Kirtikumar Shah as Director of the Company
4	Appointment of Mr. Prakash Dharshibhai Shah as Independent Director of the Company

5	Appointment of Mr. Sarat Malik as Independent Director of the Company
6	Appointment of Mrs. Jayna Rachit Shah as Independent Director of the Company
7	Appointment of Mrs. Jaya Nigam as Director of the Company
8	Reclassification of Promoter & Promoter Group to Public Category
9	Approval for Related Party Transaction
10	Shifting of Registered Office from the Company
11	Adoption of new sets of Articles of Association as per Companies Act, 2013
12	Adoption of new sets of Memorandum of Association as per Companies Act, 2013
13	Change in Main Object Clause of the Company

Signed this..... day of..... 2023

Signature of  
shareholder Signature  
of Proxy holder(s)

Affix  
Revenue  
Stamp of  
Re.1

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered & Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. A proxy shall prove his identity at the time of attending the Meeting.
  3. The proxy form should be signed across the revenue stamp as per specimen signature(s) registered with the Company/Depository Participant.
  4. A Proxy need not be a member of the Company.
  5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy will stand automatically revoked.
  6. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
  7. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.
  8. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.
  9. Undated proxy form will not be considered valid.
  10. Please complete all details including details of member(s) in above box before submission.
- \*Applicable for Investors holding shares in demat form.



**Form No. MGT-12****Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

**RAJATH FINANCE LIMITED**  
**[CIN: L65910GJ1984PLC007486]****Registered Office:** 208-215, Star Plaza, Phulchhab Chowk, Rajkot 360001, Gujarat, India**Phone:** 0281 2447800 **Fax:** 0281 2454271 **Website:** [www.rajathfinance.com](http://www.rajathfinance.com)Email: [rajathfin@hotmail.com](mailto:rajathfin@hotmail.com)**BALLOT PAPER**

S No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal Address	
3	Registered folio No./*Client Id No. (*Applicable to investor holding shares in dematerialized form)	
4	Class of Shares	Equity Shares

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item Details	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.			
2	To appoint a director in place of Mr. Bhavdeep Vajubhai Vala [DIN: 00153775], who retires by rotation and, being eligible, offers himself for re-appointment.			
3	Appointment of Mr. Gautam Kirtikumar Shah as Director of the Company.			
4	Appointment of Mr. Prakash Dharshibhai Shah as Independent Director of the Company			
5	Appointment of Mr. Sarat Malik as Independent Director of the Company			
6	Appointment of Mrs. Jayna Rachit Shah as Independent Director of the Company			
7	Appointment of Mrs. Jaya Nigam as Director of the Company.			
8	Reclassification of Promoter & Promoter Group to Public Category.			
9	Approval for Related Party Transaction.			
10	Shifting of Registered Office of the Company.			
11	Adoption of new sets of Articles of Association as per Companies Act, 2013.			
12	Adoption of new sets of Memorandum of Association as per Companies Act, 2013.			
13	Change in Main Object Clause of the Company			

Place:

Date:

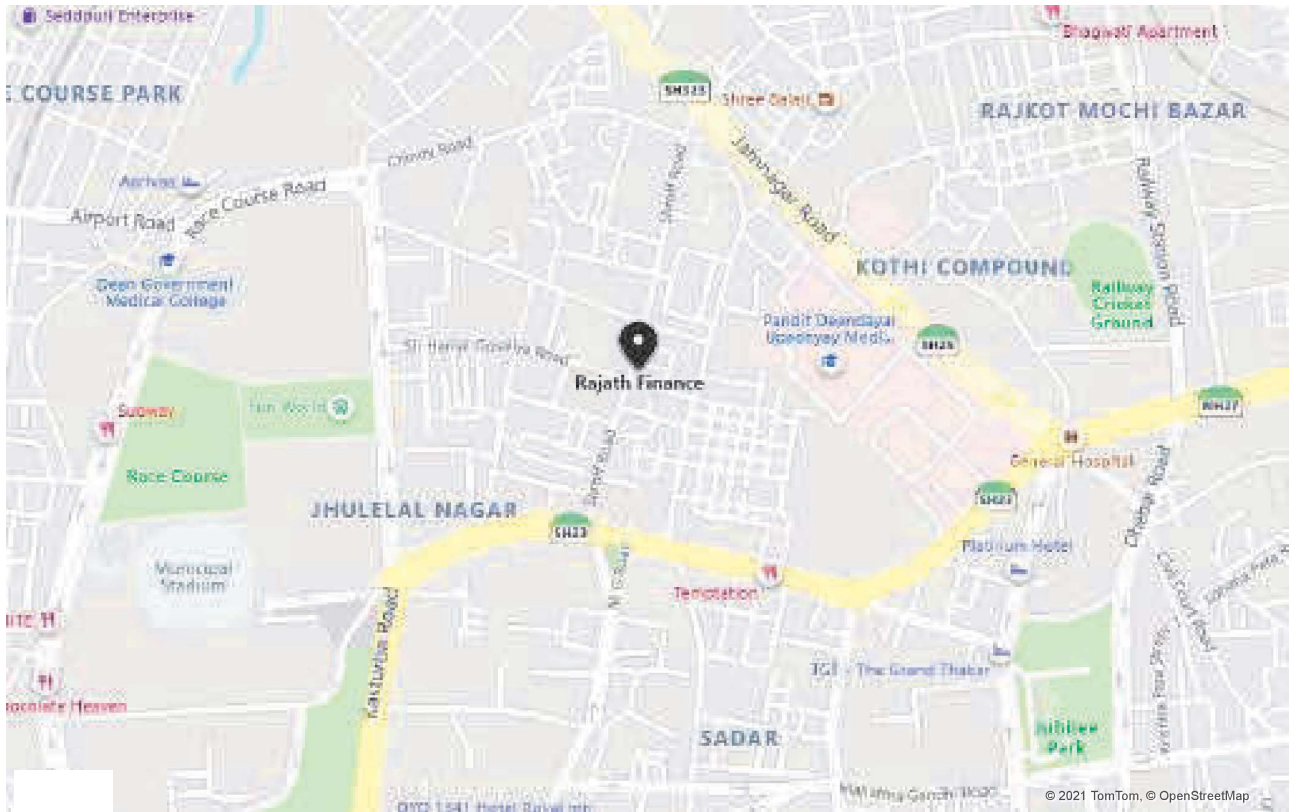
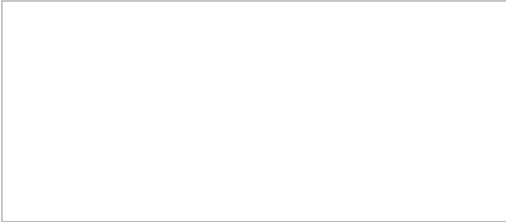
**(Signature of the shareholder)**

### Rajath Finance

**Address:** 208-215, Star Plaza, Phulchhab Chowk, Rajkot, Gujarat 360001

**Tel:** 0281 2447800

**Website:** <http://rajathfinance.in/>



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