

RAJATH FINANCE LIMITED

(CIN: L65910MH1984PLC419700)

E-Mail: rajathfin@hotmail.com Website: www.fynxcapital.com GST No: 27AABCR3205L1ZG

Date: 27th August 2024

To,
The Department of Corporate Services,
The BSE Ltd., 1st Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001,
Maharashtra, India

Script Code No: 507962

Sub: Annual Report 2023-24 along with Notice of 39th Annual General Meeting of the Company to be held on Friday, 20th September, 2024.

Dear Sir/Madam,

With reference to the above subject and pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed copy of the Annual Report along with the Notice of 39th Annual General Meeting for the Financial year ended 31st March 2024 of Rajath Finance Limited ("the Company") The same has been sent on 27th August 2024 by email to those members whose email address are registered with the Depository Participant(s) / Link intime India Private Limited ("RTA" of the Company).

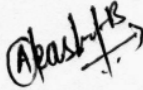
The said Annual report is also available on the website of the Company at www.fynxcapital.com.

Kindly take the same on record.

Thanking you,

Yours Faithfully,

For, RAJATH FINANCE LIMITED



AKASH HIRENBHAI BHEDA
COMPANY SECRETARY & COMPLIANCE OFFICER

1001, 10th floor, K. P. Aurum, Marol Maroshi Road, Andheri (E), Mumbai, Maharashtra-400059

Contact: 022 29200027 / 022 29200037

Rajath Finance Limited.

Annual Report

Financial Year 2023-24

Corporate Information

Board of Directors

Mr. Gautam Kirtikumar Shah	Managing Director
Mrs. Jaya Nigam	Whole Time Executive Director
Mr. Sarat Malik	Independent Director
Mr. Ashok Kumar Nag	Independent Director
Ms. Jayna Shah	Independent Director

Company Secretary

Mr. Akash Hirenbhai Bheda

Chief Financial Officer

Ms. Urvashi Manoj Parmar

Statutory Auditor

N. C. Vaishnav & Co.,
Chartered Accountants,
2, MarutiFlats, 31, HaribhaktiColony
RaceCourse Circle, Baroda -390007
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

Listed on:

BSE Limited

NOTICE OF AGM

Rajath Finance Limited

CIN: L65910MH1984PLC419700

Address of Registered Office:

Office No. 1001, Tenth Floor, K.P. Aurum Building, CTS No. 426A,
Marol Maroshi Road, Andheri (e), Mumbai – 400059.

Phone: 022 – 29200027 / 022-29200037

E-Mail Id: rajathfin@hotmail.com

Website: www.fynxcapial.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting of the Members of the Company will be held on Friday, 20th September, 2024 at 02:30 p.m. at the Registered Office of the Company situated at Office No. 1001, Tenth Floor, K.P. Aurum Building, CTS No. 426A, Marol Maroshi Road, Andheri (E), Mumbai - 400059, 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, 2024, and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Jaya Nigam [DIN: 05193565], who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint M/s. N.C. Vaishnav & Co, Chartered Accountant as the Statutory Auditor of the Company and in this regard pass the following resolution;

“RESOLVED THAT Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and on recommendations of Audit Committee and Board of Directors M/s. N.C. Vaishnav & Co, Chartered Accountant be and is hereby appointed as Statutory Auditor of the Company w.e.f August 14, 2024 to fill the casual vacancy arising out of resignation of A. D. Vyas & Co., Chartered Accountants and to hold office till the conclusion of this Annual General Meeting, on such remuneration and reimbursement of expenses as may be fixed by the Board of Directors.

“RESOLVED THAT pursuant to the provisions of Section 139, 142, and other applicable provisions, if any, of the Companies Act, 2013, and rules made there under (including any statutory modifications and re-enactments thereof, for the time being in force), M/s. N.C. Vaishnav & Co Chartered Accountants (Registration No : 112712W), be and is hereby appointed as Statutory Auditors of the Company for a period of 5 years (2024-2025 to 2028-2029) period starting from 2024-25 and that they shall hold office from the conclusion of the 39th Annual General Meeting of the Company and shall hold office till the conclusion of 44th Annual General Meeting of the Company at a remuneration to be mutually agreed upon between the Company and the Auditor plus reimbursement of service tax, travelling and out-of-pocket expenses incurred by them for the purpose of audit.

RESOLVED FURTHER THAT any Directors of the Company and/or the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things as may be considered necessary to give effect to the above said resolution.”

❖ Special Business:

4. Appointment of Mr. Ashok Kumar Nag 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:

NOTICE OF ANNUAL GENERAL MEETING

“RESOLVED THAT Mr. Ashok Kumar Nag (DIN 06796476) 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. Ashok Kumar Nag be and is hereby appointed as an Independent Director of the Company to hold office for a consecutive term of five years commencing from August 14, 2024, to August 13, 2029.”

5. To set limit to make investments and to give guarantee or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013

To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to (i) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 3.50 Crores (Rupees Three Crores Fifty Lacs) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT any Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

DATE: 14.08.2024
MUMBAI

By Order of the Board of Directors,
FOR, RAJATH FINANCE LIMITED PLACE:

Akash Hirenghai Bheda
Company Secretary & Compliance Officer

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 Saturday 14th September, 2024 to Friday, 20th September, 2024.
- C. Ministry of Corporate Affairs (“MCA”) vide various circulars issued since May, 2020 including the general circular No. 02/2022 issued on 05th May, 2022 read with Securities and Exchange Board of India (SEBI) Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued on 13th May, 2022, MCA, vide General Circular No.9/2023 dated September 25, 2023 and SEBI Circular dated October 7, 2023 has extended the relaxation from dispatching of physical copy of Annual Report including financial statements for the year 2024, to shareholders, till 30th September, 2024. 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 2023-24 is also available on the website of the company at www.fynxcapital.com and also on the website of the Stock exchange at 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

- 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 Tuesday, 17th September, 2024 and will end at 05:00 PM on Thursday, 19th September, 2024. During this period, the members of the company holding shares as on the cutoff date i.e Friday, 13th September, 2024 may cast their vote electronically. E-voting module shall be disabled by the Link Intime after 05:00 PM on Thursday, 19th September, 2024. During the AGM, voting can be done through ballot/polling paper. Members/proxies/authorised representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting
- 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, 23rd August, 2024 [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. 2023-24, through their registered Email-id.
- J. M/s. PHD & Associates 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.fynxcapital.com) and on LIPL'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

BRIEF PROFILE OF DIRECTOR SEEING APPOINTMENT:

Director's Name	Mr. Ashok Kumar Nag
Date of Appointment as Director in Company	14/08/2024
Qualification	Ph D from Indian Statistical Institute, Calcutta. B. Stata and M. Stat Degree (First Division at both levels) from the same institution.
Experience in specific functional area	Mr. Ashok Kumar Nag has an experience of more than 25 years of experience in which he has worked with the Reserve Bank of India a period of 21 years in different capacities. Mr. Ashok Kumar Nag was research associate at the Center for Development Studies at Trivandrum in the state of Kerala and was also Lecturer of Statistics in department of Commerce and Business Management, University of Calcutta.
Directorship held in other Public Limited (excluding Directorship in Rajath Finance Limited)	National Spot Exchange Limited
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: 14.08.2024
MUMBAI

By Order of the Board of Directors,
FOR, RAJATH FINANCE LIMITED PLACE:

Akash Hirenbhai Bheda
Company Secretary & Compliance Officer

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 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 and click on login & New System Myeasi Tab and then click on registration option.

NOTICE OF ANNUAL GENERAL MEETING

- 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 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.
- 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:

- Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
- 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).

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

Cast your vote electronically:

- After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
- E-voting page will appear.
- 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).
- 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 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.

Login type	Helpdesk details
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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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.

NOTICE OF ANNUAL GENERAL MEETING

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 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 or contact on: - Tel: 022 -4918 6000.

ANNEXURE TO THE NOTICE OF THE 39TH (THIRTY-NINE) 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 Ordinary and Special Business mentioned in the accompanying Notice for convening the 39th (Thirty-Ninth) Annual General Meeting ("AGM") of Rajath Finance Limited on Friday, September 20, 2024, at 02.30 p.m. (IST):

Item No.3

As A. D. VYAS & CO, Chartered Accountants, has resigned from the post of Statutory Auditor of the company. Hence, for the casual vacancy arise due to the resignation the Board of Directors on recommendation of Audit Committee and subject to approval of members, appointed M/s. N.C. Vaishnav & Co, Chartered Accountants as Statutory Auditor of the company pursuant to the provisions of Section 139 (8) of the Companies Act, 2013. The Board in its meeting held on 21.06.2024 has recommended appointment of M/s. N.C. Vaishnav & Co, Chartered Accountants for a period of 5 Years (2024-2025 to 2028-2029) from the conclusion of the 39th Annual General Meeting of the Company and shall hold office till the conclusion of 44th Annual General Meeting. As the Board of Directors of a Company cannot, except with the consent of Members in General Meeting by an ordinary resolution, appoint any person as an Auditor of the Company. The Directors, therefore, recommend the Ordinary Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, 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

The Board of Directors of the company, through resolution passed in their meeting held on 14th day of August 2024 has appointed Mr. Ashok Kumar Nag (DIN: 06796476) as Additional Director of the company till the date of the next annual general meeting. Accordingly, in terms of the provisions of the Companies Act, 2013 approval of the members of the company is required for regularization of Mr. Ashok Kumar Nag 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

Pursuant to the provisions of Section 186(2) of the Companies Act, 2013 ('Act'), the Company shall not directly or indirectly: (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher.

Pursuant to the provisions of Section 186(3) of the 'Act', where the giving of any loan or guarantee or providing any security or the acquisition of securities exceeds the limits specified in Section 186(2) of the 'Act', prior approval by means of a Special Resolution passed at a General Meeting is necessary. In terms of Rule No.11(1) of the Companies (Meeting of Board

and its Powers) Rules ('Rules'), where a loan or guarantee is given or security has been provided by a company to its wholly-owned subsidiary or a joint venture, or acquisition is made by a holding company, by way of subscription of securities of its wholly owned subsidiary, the requirement of Section 186(3) of the 'Act' shall not apply, however it will be included for the purpose of overall limit in the normal course of business, the Company may be required to give guarantees or make investments in excess of the limits specified in Section 186(2) of the 'Act'.

Accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to provide guarantees and make investments up to a sum of Rs. 3.50 Crores (Rupees Three Crores Fifty Lacs) over and above the aggregate of free reserves and securities premium account of the Company at any point of time.

The Board of Directors recommends resolution as set out in item No. 5 for approval of the members of the Company by way of passing a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) is in any way, whether financially or otherwise, concerned or interested, in the said resolution.

DATE: 14.08.2024

PLACE: MUMBAI

By Order of the Board of Directors,
FOR, RAJATH FINANCE LIMITED

Akash Hirenghai Bheda
Company Secretary & Compliance Officer

DIRECTORS' REPORT

To,
The Members,
Rajath Finance Limited,

Your Board of Directors are pleased to present their **39th Annual Report** for the financial year ended on March 31, 2024.

FINANCIAL RESULTS:

Your Company's performance for the year ended on March 31, 2024, is summarized as under:

(Amt. in Rs.)

SR. NO.	PARTICULARS	2023-24	2022-23
1.	Revenue from Operation	8,18,595	32,74,038
2.	Other Income	1,17,842	37,999.50
3.	Total Revenue (1+2)	9,36,437	33,12,037.50
4.	Employee Benefit Expenses	8,91,554	8,85,300
5.	Depreciation & Amortization Exp.	12,43,344	9,00,384
6.	Other Expenses	1,51,43,790	29,66,113.45
7.	Profit/(Loss) Before Tax	(1,63,42,251)	(14,39,759.95)
8.	Current Tax	-	-
9.	Deferred Tax	38,34,970	(3,33,441)
10.	Excess/short provision adjusted relating earlier year tax	(4,937)	-
11.	Profit/(Loss) After Tax (PAT)	(1,25,12,218)	(11,06,318.95)
12.	Other Comprehensive Income	-	-
13.	Total Comprehensive income for the period	(1,25,12,218)	(11,06,318.95)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

During the reporting period, your Company has recorded revenue from operation of Rs. 8,18,595/- (Rupees Eight Lakh Eighteen Thousand Five Hundred and Ninety-Five only) as compared to Rs. 32,74,038/- (Rupees Thirty-Two Lakhs Seventy-Four Thousand and Thirty-Eight Only) during the previous financial year. Further, during the year under report, the Company has reported a net loss of Rs. 1,25,12,218/- (Rupees One Crore Twenty Lakhs Twelve Thousand Two Hundred and Eighteen Only) as compared to loss of Rs. 11,06,318.95 (Rupees Eleven Lakhs Six Thousand Three Hundred and Eighteen Only) during the previous financial year. Total comprehensive loss of the Company for F.Y. 2023-24 is Rs. Rs. 1,25,12,218/- (Rupees One Crore Twenty Lakhs Twelve Thousand Two Hundred and Eighteen Rupees). 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 2023-24.

SHARE CAPITAL:

During the year under review, there has been no change in the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company. As on March 31, 2024, the Authorized Share Capital of the Company is Rs. 7,50,00,000/- (Rupees Seven Crores and Fifty Lakh Only) divided into 75,00,000 (Seventy-Five Lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each. The paid-up Equity Share Capital of the company as on March 31, 2024, was Rs. 4,00,00,000/- (Rupees Four Crore Only) divided into 40,00,000 (Forty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each. During the year under review, 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 2023-24 is placed on the website of the Company at the link <https://www.fynxcapital.com>

BOARD MEETINGS AND INDEPENDENT DIRECTOR'S MEETING:

Your Board meets at regular intervals to discuss and decide on business strategies/policies and review the Company's financial performance. The Board of Directors of the Company met Eight (8) times during the reporting year respectively on April 12, 2023, May 8, 2023, May 22, 2023, July 21, 2023, September 2, 2023, October 28, 2023, January 2, 2024 and February 14, 2024.

Further, the Independent Directors meeting was held on 12/04/2023 to consider the following:

1. To review the performance of non-independent directors and the Board as a whole,
2. To Assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

DIRECTOR'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 loss 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 ('Act') that he meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 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.

In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Act and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with regard to integrity, expertise and experience (including the proficiency) of an Independent Director and are independent of the management.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act.

DIRECTORS' REPORT

RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2023-24:

The information required pursuant to section 197 (12) read with Rule 5 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 2023-24 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.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

The Policy aims to attract, retain and motivate qualified people at the board and senior management levels and ensure that the interests of Board members & senior executives are aligned with the Company's vision and mission statements and are in the long-term interests of the Company.

The Nomination and Remuneration Policy of the Company has been designed with the following basic objectives:

- a) To set out a policy relating to remuneration of Directors, Key Managerial Personnel's, Senior Management Personnel's and other employees of the Company.
- b) To formulate criteria for appointment of Directors, Key Managerial Personnel's and Senior Management Personnel's.
- c) To formulate the criteria for determining qualification, competencies, positive attributes and independence for the appointment of a director.

The Policy is available on the website of the Company at <https://www.fynxcapital.com>

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

The Board has carried out annual performance evaluation of its own performance other than the Director being evaluated, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Shareholders Grievance committee pursuant to the provisions of the Companies Act, 2013. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

DIRECTORS' REPORT

STATUTORY AUDITOR AND AUDITORS' REPORT

Members are already aware that the 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 34th Annual General Meeting held in the year 2019 (for the financial year 2018-19) for the term of five consecutive years to hold office till the conclusion of 39th Annual General Meeting to be held in the year 2024 (for financial year 2023-24).

However, the auditor, being pre-occupied with other activities they were unable to continue as Statutory Auditor of the Company. M/S. A. D. Vyas & Co., Chartered Accountants have resigned from the position of Statutory Auditors of the Company upon the completion of the audit for the financial year 2023-24 and also, they have conveyed their No-Objection to the Company for appointing another Statutory Auditor vide their letter dated 26th June 2024.

The casual vacancy caused by the resignation of Statutory Auditors was filled by the Board in their meeting held on August 14, 2024 by appointing M/s. N.C. Vaishnav & Co., Chartered Accountants (FRN: 112712W) and that they will hold office until this Annual General Meeting. The Board based on the recommendation of Audit Committee proposed to appoint M/s. N.C. Vaishnav & Co., Chartered Accountants (FRN: 112712W) as the Statutory Auditors of the Company for a period of 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting until the conclusion of 44th Annual General Meeting to be held in the year 2029.

The Auditors' Report does not contain any qualifications, 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. During the year under review, the Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3) of the Companies Act, 2013.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board has appointed M/s. Gaurav Agrawal & Associates, Practicing Company Secretary, in their meeting held on February 14, 2024, to conduct Secretarial Audit for the financial year 2023-24. As per Companies Act, 2013, the Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2024, is annexed herewith as **Annexure 1**.

The Secretarial Auditor in his Report for the year ended March 31, 2024 has brought out that Mrs. Dea N. Vachhani has resigned from the post of Company Secretary w.e.f. 30th July, 2023 and Company has appoint Mr. Akash Hirenbhai Bheda as Company Secretary w.e.f. 1st December, 2023 under Section 203 of Companies Act., 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. 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 complied with Structured Digital Database (SDD) provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. However as per the BSE website the Company is Structured Digital Database (SDD) Non-Compliant Company due to the previous year's remarks given by the BSE. In this Company is in communication with BSE to remove remarks of Structured Digital Database (SDD) Non-Compliant Company.

DIRECTORS' REPORT

The Management views on the above observations is that the Management has already taken appropriate steps for appointed Company Secretary. The Company is already in the process of website updation and soon website of the Company will get updated. The Company is already in the process of communication with BSE to remove remarks of Structured Digital Database (SDD) Non-Compliant Company, as the Company is Structured Digital Database (SDD) Compliant.

INTERNAL AUDITORS:

The Company has in place an adequate internal audit framework to monitor the efficacy of the internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's processes. The Internal Auditor reports directly to the Chairman of the Audit Committee.

M/s. D S K S & Associates, were appointed as the Internal Auditors of the Company for the FY 2023-24 in the Board Meeting held on October 28, 2023 in accordance with the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY:

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. The detail particulars of Loan, Guarantees and Investments made by the Company forms part of the Notes to the financial statement of the Company.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, all the transactions entered into by the Company with related parties were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, details of which are set out in the Notes to Financial Statements forming part of this Annual Report. All related party transactions are entered into only after receiving prior approval of the Audit Committee. Further, in terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, all contracts/arrangements/ transactions entered into by the Company with its related parties, during the financial year under review, were in ordinary course of business and on not at arm's length . 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 contracts/arrangement with related parties are disclosed in the AOC-2 is attached herewith as **Annexure-2**.

DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company does not fall in any of the criteria mentioned therein and hence, it is not required to mandatorily carry out any CSR activities or constitute any Committee.

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:

Consequent to acquisition pursuant to and in compliance with Regulation 3(1) and Regulation 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI SAST Regulations"), the management and control of the Company has been changed. As on March 31, 2024, Composition of Board of Directors was as follows:

Sr No	Name	Designation	Category	Director Identification Number (DIN)	Date Appointment
1.	Mr. Gautam K Shah	Managing Director	Executive	06379806	May 8, 2023
2.	Mrs. Jaya Nigam	Whole time Director	Executive	05193565	July 21, 2023
3.	Mr. Prakash Shah	Director	Independent	00286277	May 8, 2023
4.	Mr. Sarat Malik	Director	Independent	09791314	May 8, 2023
5.	Mrs. Jayna R Shah	Director	Independent	10161760	May 22, 2023

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.

Mr. Gautam K Shah was appointed as an Executive Director w.e.f. May 8, 2023 and was re-designated as Managing Director w.e.f. January 25, 2024.

Mrs. Jaya Nigma was appointed as an Executive Director w.e.f. July 21, 2023 and was re-designated as Whole-Time Director w.e.f. March 28, 2024.

Note: Mr. Kantilal Kalidas Khakhar [DIN: 01957569] Independent Director, Mr. Ketanbhai Govindbhai Dhulesiya [DIN: 01957569] Independent Director, Mrs. Poonam Hitesh Bagdai [DIN: 00353024] Director and Mr. Janish Navinchandra Ajmera [DIN: 06708217] Independent Director have resigned from the Board of the Company with effect from May 22, 2023 and Mr. Bhavdeep Vajubhai Vala [DIN: 000153775] Director, Hitesh Bagdai [DIN: 00575732] Managing Director has resigned w.e.f. October 28, 2023 subsequent to the change in the management of the Company.

DIRECTORS' REPORT

RETIREMENT BY ROTATION

Pursuant to the provisions of Section 152(6)(d) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Jaya Nigam, Director (DIN: 05193565), shall retire by rotation at the ensuing AGM and being eligible has offered herself for re-appointment.

The necessary disclosures required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, for the above-mentioned re-appointments are provided in the 39th Annual General Meeting Notice of the Company.

KEY MANAGERIAL PERSONNEL:

As on March 31, 2024, the following person have been designated as Key Managerial Personnel ("KMP") of the Company pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr No.	Name	Designation
1.	Mr. Gautam K Shah	Managing Director (w.e.f. January 25, 2024)
2.	Mr. Akash Hirenghai Bheda	Company Secretary & Compliance Officer
3.	Ms. Jaya Nigam	Whole Time Director (w.e.f. March 28, 2024)
4.	Ms. Urvashi Manoj Parmar	Chief Financial Officer (w.e.f. January 25, 2024)

Mr. Anil Cheriyaath resigned from the post of Chief Financial Officer ('CFO'), Mr. Hitesh Manubhai Bagdai (DIN: 00575732), resigned from the post of Managing Director and Mr. Dea Nikhil Vachhani resigned from the post of Company Secretary w.e.f October 28, 2023.

BOARD COMMITTEES:

As per provisions of the Companies Act, 2013, the 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.

During the year under review, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee were re-constituted due to change in management and control of the Company w.e.f. May 22, 2023 and further re-constituted on October 28, 2023.

DIRECTORS' REPORT

AUDIT COMMITTEE: As on close of Financial Year the Company is having an adequate Audit Committee comprising of following Directors:

Sr. No.	Name & DIN of the Director	Status	Category
1.	Mrs. Jayna Shah (DIN: 10161760)	Chairman	Non – Executive and Independent Director
2.	Mr. Prakash Shah (DIN: 00286277)	Member	Non – Executive and Independent Director
3.	Mrs. Jaya Nigam (DIN: 05193565)	Member	Executive Director

Audit Committee of the company met 5 (five times during the year on May 08, 2023, May 22, 2023, July 21, 2023, October 28, 2023 and February 14, 2024. During the year under report, all the recommendations of the Audit Committee were duly considered.

NOMINATION AND REMUNERATION COMMITTEE: As on close of Financial Year 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. Sarat Malik (DIN: 00286277)	Chairman	Non – Executive and Independent Director
2.	Mr. Prakash Shah (DIN: 00286277)	Member	Non – Executive and Independent Director
3.	Mrs. Jayna Shah (DIN: 10161760)	Member	Non – Executive and Independent Director

The Nomination and Remuneration Committee of the company met 6 (Six) times during the year under review respectively on May 08, 2023, May 22, 2023, July 21, 2023, October 28, 2023, January 02, 2024 and February 14, 2024. During the year under report, all the recommendations of the Committee were duly considered.

SHAREHOLDERS GRIEVANCE COMMITTEE: As on close of Financial Year the Company is having a Shareholder Grievance Committee comprising of following Directors:

Sr. No.	Name & DIN of the Director	Status	Category
1.	Mr. Sarat Malik (DIN: 00286277)	Chairman	Non – Executive and Independent Director
2.	Mr. Jaya Nigam (DIN: 05193565)	Member	Executive Director
3.	Mr. Gautam Shah (DIN: 06379806)	Member	Executive Director

DIRECTORS' REPORT

Shareholders Grievance Committee of the company met 1 (One) time during the year on 12/04/2023. During the year under review, all the recommendations of the Committee were duly considered.

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for year ended March 31, 2024 is provided below:

A.	Conservation of energy		
	i.	Steps taken or impact on conservation of energy	Nil
	ii.	Steps taken for utilizing alternate sources of energy	
	iii.	Capital investment on energy conservation equipment's	
B.	Technology absorption		
	i.	Efforts made towards technology absorption	—
	ii.	Benefits derived like product improvement, cost reduction, product development or import substitution	—
	iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- <ul style="list-style-type: none">• the details of technology imported• the year of import• whether the technology been fully absorbed• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	—
	iv.	The expenditure incurred on Research and Development	
C.	Foreign Exchange Earnings and Outgo		
	i.	Foreign Exchange Earnings by the Company	Nil
	ii.	Foreign Exchange Expenditure by the Company	

PARTICULARS OF EMPLOYEES:

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

DIRECTORS' REPORT

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 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 March 31, 2024, the Company doesn't have any Subsidiary, Joint Venture or Associate Companies.

INTERNAL FINANCIAL CONTROLS:

According to Section 134(5)(e) of the Act in terms of internal control over financial reporting, the term Internal Financial Control ('IFC') means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and early detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls and the Board is responsible for ensuring that IFC are laid down in the Company and that such controls are adequate and operating effectively.

The Company believes that strengthening of internal controls is an ongoing process and there will be continuous efforts to keep pace with changing business needs and environment.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations which assures compliance with internal policies, applicable laws and regulations, ensures reliability and accuracy of records, promotes operational efficiency, protects resources and assets, helps to prevent and detect fraud, errors and irregularities and overall minimizes the risks. These are routinely tested and certified by Statutory Auditors. Further the Statutory Auditors have issued no letters of internal control weaknesses and has provided opinion on adequacy of internal financial control system in the audit report during the financial year under review.

VIGIL MECHANISM:

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 the Company has established the necessary Vigil Mechanism for its directors and employees.

Pursuant to the Policy, the Director or Employee can raise concerns relating to Reportable Matters (as defined in the Policy) such as unethical behavior, breach of Code of Conduct, actual or suspected fraud, any other malpractice, impropriety or wrongdoings, illegality, non-compliance of legal and regulatory requirements, retaliation against the Directors & Employees and instances of leakage of/suspected leakage of Unpublished Price Sensitive Information of the Company etc.

DIRECTORS' REPORT

Further, the mechanism adopted by the Company encourages the Whistle Blower to report their genuine concerns or grievances to the Audit Committee and provides for adequate safeguards against victimization of directors and employees, who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases. The Audit Committee oversees the functioning of the same. Further, no personnel have been denied access to the Audit Committee during the Financial Year under review. .

There was no instance of such reporting during the financial year ended March 31, 2024.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at workplace and is committed to provide a safe and secure working environment for all employees.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS:

During the Financial Year 2023-24, the Company has complied with all the relevant provisions of the applicable mandatory Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Act.

CHANGE OF REGISTERED OFFICE:

During the year under review, the Registered Office of the Company has been shifted from State of Gujarat to State of Maharashtra i.e. from 208-215, Star Plaza, Phulchhab Chowk, Rajkot 360001, Gujarat, India to Off No. 1001, Tenth Floor, K P Aurum Building, CTS No. 426A, Marol Maroshi Road, Andheri (E), Mumbai - 400059 w.e.f. January 29, 2024.

The new CIN issued to the Company pursuant to the shifting of Registered Office from State of Gujarat to State of Maharashtra is L65910MH1984PLC419700.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

The shareholders of the Company in the Extra Ordinary General Meeting held on July 17, 2024 has approved the increase in Authorised Share Capital of the Company from existing Authorised Share Capital of Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs Only) consisting of 75,00,000 (Seventy-Five Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each

DIRECTORS' REPORT

to Rs. 25,00,00,000 (Rupees Twenty-Five Crores Only) consisting of 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and consequent alteration of Capital Clause V of Memorandum of Association of the Company relating to share capital of the Company

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 thereunder.
- 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.
- The Company is not required to maintain cost records as per the provisions of Section 148 of Companies Act, 2013 and rules framed thereunder.
- No proceedings are filed by the Company or pending against the Company under the Insolvency and Bankruptcy Code, 2016.

ACKNOWLEDGEMENT:

Your directors put on record their whole hearted gratitude and deep appreciation to our shareholders, customers, vendors, bankers and financial institutions for all the support rendered during the year. Finally, we appreciate and value the contributions made by all our employees at all levels, amidst the challenging time with their continued hard work for making the Company achieve its vision and mission. Company's vendors, investors, business associates, Central/State Government and various departments and agencies for their support and co-operation.

**FOR OR ON BEHALF OF THE BOARD OF DIRECTORS
FOR RAJATH FINANCE LIMITED**

DATE: AUGUST 14, 2024

PLACE: MUMBAI

**GAUTAM K SHAH
MANAGING DIRECTOR
DIN: 06379806**

**JAYA NIGAM
WHOLE TIME DIRECTOR
DIN: 05193565**

SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2024

[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
Office No. 1001, Tenth Floor,
K.P. Aurum Building, CTS No. 426A,
Marol Maroshi Road, Andheri (E),
Marol Bazar, Mumbai, Maharashtra, India, 400059

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, 2024, 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, 2024 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:

- Mrs. Dea N. Vachhani has resigned from the post of Company Secretary w.e.f. 30th July, 2023 and Company has appoint Mr. Akash Hirenbhai Bheda as Company Secretary w.e.f. 1st December, 2023 under Section 203 of Companies Act., 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 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 complied with Structured Digital Database (SDD) provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. However as per the BSE website the Company is Structured Digital Database (SDD) Non-Compliant Company due to the previous year's remarks given by the BSE. In this Company is in communication with BSE to remove remarks of Structured Digital Database (SDD) Non-Compliant Company.

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: 13/08/2024

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

C.O.P. No. 16822FCS No. 11498
UDIN: F011498F0000949589
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
Office No. 1001, Tenth Floor,
K.P. Aurum Building, CTS No. 426A,
Marol Maroshi Road, Andheri (E),
Marol Bazar, Mumbai, Maharashtra, India, 400059

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: 13/08/2024

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

C.O.P. No. 16822FCS No. 11498
UDIN: F011498F0000949589
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.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Parshwashanti Buildinfra Projects Private Limited
b)	Nature of contracts/ arrangements/ transaction	Rent Paid
c)	Duration of the contracts/ arrangements/ transaction	2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	17,64,180
e)	Justification for entering into such contracts or arrangements or transactions'	Use of office premises
f)	Date of approval by the Board	21-07-2023
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	30-09-2023

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Parshwashanti Buildinfra Projects Private Limited
b)	Nature of contracts/ arrangements/ transaction	Security Deposit
c)	Duration of the contracts/ arrangements/ transaction	2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	8,91,000
e)	Justification for entering into such contracts or arrangements or transactions'	Security Deposit paid towards blocking of premises
f)	Date of approval by the Board	21-07-2023
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	30-09-2023

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

SL. No.	Particulars	Details
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.

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

DATE: 14.08.2024

PLACE: MUMBAI

GAUTAM K SHAH
MANAGING DIRECTOR
DIN: 06379806

JAYA NIGAM
WHOLE TIME DIRECTOR
DIN: 05193565

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE - 3 TO DIRECTORS' REPORT OF RAJATH FINANCE LIMITED

ECONOMIC REVIEW

Global Economy

In the Financial year 2023, amidst a backdrop of persistent geopolitical tensions, the global economic landscape witnessed a remarkable surge in confidence, painting an optimistic picture for the future. The International Monetary Fund (IMF) reported a GDP growth of 3.2%, exceeding earlier projections made in October-23. This robust growth was underpinned by resolute monetary strategies that drove down energy costs and spurred both governmental and private expenditures. The pace of expansion is steadily progressing, driven by a stabilization of borrowing costs, strategic fiscal adjustments, resilience following the COVID-19 pandemic and geopolitical events, ongoing improvements in productivity and emerging opportunities amid evolving geoeconomic landscapes. In the realm of economic projections, the current outlook suggests stable growth but with nuances. The global economy is expected to grow at a rate of 3.2% throughout 2024 and 2025, mirroring the pace of the previous year. Advanced economies are forecasted to experience a slight increase, with growth rising from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Conversely, emerging market and developing economies are anticipated to see a modest slowdown, dropping from a growth rate of 4.3% in 2023 to 4.2% in both 2024 and 2025.

Indian Economy

In FY24, India continued to be one of the world's fastest-growing economies, achieving a GDP growth rate of 7.6%. This impressive performance is driven by increased public investments, a thriving service sector, effective reform-oriented governance, strong domestic demand for consumer services, and high export demand for business services. India's G20 presidency has facilitated key multilateral initiatives, and the financial sector has remained stable despite global challenges. Consumer price inflation has stayed below the 6% target range despite tightened fiscal policies. Looking ahead, businesses are expected to improve with stable interest rates and reduced debt levels. Rising credit demand highlights the potential of the Indian economy, and the interest of major international companies like Apple in expanding their supply chains in India reflects this growth. State-level policies and substantial investments in transport and infrastructure further support this trend. India is projected to maintain strong growth in the next fiscal year, with a GDP growth forecast of 7.0% and declining inflation, although food price volatility might still pose challenges. Continued growth is expected due to contributions from labor and human capital, backed by investments in digital infrastructure and public development. However, global economic uncertainties and weather-related issues could impact India's financial and trade sectors, with potential inflationary effects from rising food prices. Despite these challenges, forecasts indicate a robust increase in consumption and private investments, likely driving future growth.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 in 2023. NBFCs continued to deploy the largest quantum of credit to the industrial sector, followed by retail, services, and agriculture. Loans to the services sector and personal loans registered a 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,
- (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. 936.43 (In thousand). 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. 12,512.22 (In thousand) as compared to the loss of Rs. 1104.79 (In thousand) during the previous financial year 2022-23. Management of the Company has made total effort to increase the profit.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 statutes 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	FY2023-24	FY 2022-23
1	Current Ratio	Times	6.71	9.27
2	Debt Equity Ratio	Times	0.08	0.09
3	Debt Service Coverage Ratio	Times	-	-
4	Return on Equity Ratio	%	(0.22)	(0.02)
5	Inventory turnover Ratio	Times	NA	NA
6	Trade Receivable Turnover Ratio	Times	NA	NA
7	Net Capital Turnover Ratio	%	1.45	4.80
8	Net Profit Ratio	%	(1996)	(44)
9	Return on Capital Employed	%	(25.87)	(0.26)
10	Return on Investment	%	(22.09)	(1.62)

**For or on behalf of the Board of Directors
FOR RAJATH FINANCE LIMITED**

DATE: AUGUST 14, 2024

PLACE: MUMBAI

GAUTAM K SHAH

MANAGING DIRECTOR

DIN: 06379806

JAYA NIGAM

WHOLE TIME DIRECTOR

DIN: 05193565

RAJATH FINANCE LIMITED

(CIN: L65910MH1984PLC419700)

E-Mail: rajathfin@hotmail.com Website: www.fynxcapital.com GST No: 27AABCR3205L1ZG

COMPLIANCE CERTIFICATE

(Pursuant to Reg 17 (8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

To,

The Board of Directors

Rajath Finance Limited

Office No. 1001, 10th Floor, K.P. Aurum Building,
CTS No.426A, Marol Maroshi Road,
Marol Bazar Andheri (East),
Mumbai – 400 059.

Dear Sir/Madam,

We, the undersigned in our respective capacities as Managing Director and Chief Financial Officer of Rajath Finance Limited do hereby confirm that:

- A. We have reviewed Audited Annual Standalone Financial Results of Rajath Finance Limited and the cash flow statement for the financial year ended on March 31, 2024, and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) These statements together present a true and fair view of the listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 listed entity 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.
- 1) significant changes in internal control over financial reporting during the year.
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) 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 listed entity's internal control system over financial reporting.

Yours faithfully,

GAUTAM KIRTIKUMAR SHAH
MANAGING DIRECTOR
DIN: 06379806

URVASHI MANOJ PARMAR
CHIEF FINANCIAL OFFICER
PAN: DIJPP8553F

PLACE: MUMBAI
DATE: 21-06-2024

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

To,
The Member of
Rajath Finance Limited

I, Gautam Kirtikumar Shah, Managing Director of the Company confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2024.

**For or on behalf of the Board of Directors
FOR RAJATH FINANCE LIMITED**

**GAUTAM K SHAH
MANAGING DIRECTOR
DIN: 06379806**

**DATE: AUGUST 14, 2024
PLACE: MUMBAI**

RAJATH FINANCE LIMITED

Statutory Audit Report **(F.Y. 2023-24)**

Auditor:

A.D. Vyas & Co.

Chartered Accountants

Navin Complex, Kotecha Nagar Main Road,

Opp. Kotecha Girls High School,

Rajkot - 360001

Independent Auditor's Report

To the Members of **M/S RAJATH FINANCE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of M/S RAJATH FINANCE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2024, 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, 2024, 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 and rules made thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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. (applicable in case of Public Company)
- 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 its 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 its 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.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place:-Rajkot
Date: 21/06/2024
UDIN:
24047250BKCRJD5262

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

ASHA VYAS

ASHA VYAS
(PARTNER)
Membership No. 47250



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

We report that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company has maintained proper records showing full particulars of intangible assets;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are 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) As company is not holding any physical inventory, hence Not Applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, 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 during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) 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. Accordingly, clause 3(v) of the Order is not applicable.
- (v) 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.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the 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, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



- (viii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (b) According to the information and explanations given to us 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
- (c) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (d) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.
- (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. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us , no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, 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. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (xiii) In our opinion and 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, as required by the applicable accounting standards;
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company
- (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;
- (xvii) Based on our examination, the company has 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. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,



which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) Based on our examination, the provision of section 135 are not applicable on the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:-Rajkot
Date: 21/06/2024

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

Ashya

ASHA VYAS
(PARTNER)
Membership No. 47250



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 LIMITED ("the Company") as of March 31, 2024 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, 2024, 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.

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

Ashu Vyas

ASHA VYAS
(PARTNER)
Membership No. 47250



Place:-Rajkot
Date: 21/06/2024



A. D. Vyas

B.Com., F.C.A., D.I.S.A.

A. D. Vyas & Co.

Chartered Accountants

Auditor's Additional Report

The Board of the Directors

Rajath Finance Limited

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 Limited (hereinafter referred to as the "Company") and to the best of our knowledge and belief, for the year ending on 31st March, 2024, we report that
2. We have audited the accompanying financial statements of Company comprising Balance Sheet as at March 31, 2024 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 21/08/2024.

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 31-03-2024 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 31-03-2024 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 14th May, 2003.
 - 7.2 The Company is entitled to continue to hold such CoR in terms of its asset as on March 31, 2024.
 - 7.3 Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No. 65/03.02.089/2006-07 dated 6th December, 2006; the company is not an Asset Finance Company (AFC) for the financial year 2023-24.
 - 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 2023-24.



- 7.5 The Company has not accepted any public deposits during the year ended March, 2024.
- 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: 21/06/2024

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

A. D. Vyas

ASHA D. VYAS
(Partner)
M.No.047250

UDIN: 24047250BKCRJD5262



BALANCE SHEET AS AT March 31, 2024

(Amount in Thousand)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Financial assets			
(a) Cash & cash equivalents	3	1,030.81	1,039.28
(b) Loans	4	3,995.77	61,600.13
(c) Investments	5	43,864.07	1.50
(d) Other financial assets	6	891.00	-
Sub total of financial assets		49,781.66	62,640.92
2 Non - financial assets			
(a) Current tax assets (Net)	7	211.98	211.94
(b) Deferred tax assets (Net)	8	4,497.79	988.68
(c) Property, plant and equipment	9	9,866.04	10,700.63
(d) Intangible assets	10	247.22	-
(f) Inventories	11	209.43	209.43
(e) Other non - financial assets	12	642.07	269.62
Sub total of non - financial assets		15,674.53	12,380.30
TOTAL		65,456.19	75,021.22
LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Payables			
- Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		1,031.99	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,727.46	357.60
(b) Borrowings	14	4,656.00	6,401.37
Sub total of financial liabilities		7,415.45	6,758.97
2 Non- financial liabilities			
(a) Provisions	15	162.79	16.60
(b) Other non-financial liabilities	16	1,242.16	66.42
Sub total of non - financial liabilities		1,404.95	83.02
3 Equity			
(a) Equity share capital	15	40,000.00	40,000.00
(b) Other equity	16 & 17	16,635.79	28,179.24
Sub total of equity		56,635.79	68,179.24
TOTAL		65,456.19	75,021.22

See accompanying notes to the financial statements '1 to 4'

This is the balance sheet referred to our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

Ashu Vyas
Asha Vyas
Partner

Membership No. 047250

Place: Rajkot

Date: 21/06/2024

UDIN: 24047250 BK CRJ DS26 2



For and on behalf of the Board of Directors
Rajath Finance Limited

Gautam K. Shah
Gautam K. Shah
Director
DIN :- 06379806
Place : Mumbai

Urvashi M Parmar
Urvashi M Parmar
Chief Financial Officer
DIJPP8553F
Place : Mumbai



Jaya Nigam
Jaya Nigam
Whole time Director
DIN: 05193565
Place : Mumbai

Akash H Bheda
Akash H Bheda
Company Secretary
A68264
Place : Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

Particulars	Note No.	March 31, 2024	March 31, 2023
Revenue from operations			
(a) Interest income	18	818.60	3,274.04
Total revenue from operations (I)		<u>818.60</u>	<u>3,274.04</u>
Other income (II)	19	117.84	38.00
Total income III = (I) + (II)		<u>936.43</u>	<u>3,312.03</u>
Expenses			
(a) Finance cost	20	448.47	363.93
(b) Impairment on financial instruments	21	2,218.52	-
(c) Employee benefits expense	22	891.56	435.30
(d) Depreciation & amortisation	9 & 10	1,243.34	900.38
(e) Other expenses	23	12,476.80	3,050.65
Total Expenses (IV)		<u>17,278.69</u>	<u>4,750.26</u>
Profit/(loss) Before Tax (V) = (III - IV)		<u>-16,342.26</u>	<u>-1,438.23</u>
Tax Expense (VI) :			
a) Current Tax		-	-
b) Deferred Tax/ (Credit)		3,834.97	333.44
c) Excess/short provision adjusted relating earlier year tax		-4.94	-
Profit/(loss) After Tax (VII) = (V-VI)		<u>-12,512.22</u>	<u>-1,104.79</u>
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Change in Fair Value through OCI		1,294.63	-
Income tax relating to items that will not be reclassified to profit or loss		-325.86	-
Other Comprehensive Income for the year (VIII)		<u>968.77</u>	<u>-</u>
Total Comprehensive Income for the year (IX) = (VII + VIII)		<u>-11,543.46</u>	<u>-1,104.79</u>
Earnings Per Equity Share (X)	25		
(Face value of Rs. 10 each fully paid up)			
Basic (in Rupees)		(3.13)	(0.28)
Diluted (in Rupees)		(3.13)	(0.28)

See accompanying notes to the financial statements '1 to 44'

This is the statement of profit and loss referred to our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

Asha Vyas
Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024



For and on behalf of the Board of Directors
Rajath Finance Limited

Ganesh K. Shah
Ganesh K. Shah
Director
DIN :- 06379806
Place : Mumbai

Urvashi M Parmar
Urvashi M Parmar
Chief Financial Officer
DIJPP8553F
Place : Mumbai



Nigam
Jaya Nigam
Whole time Director
DIN: 05193565
Place : Mumbai
Akash H Bheda
Akash H Bheda
Company Secretary
A68264
Place : Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Rupees)

Particulars	Nos.	Amount	Reserves and surplus				Surplus/ (deficit) in the statement of profit and loss	Other comprehensive Change in Fair Value through OCI	Total other equity
			General Reserve	Capital Reserve	Special Reserve	Other comprehensive Change in Fair Value through OCI			
a) Equity Share Capital									
Equity Shares of Rs. 10 each									
As at April 1, 2022	40 00 000	40,000.00							
Issue of Share Capital									
As at March 31, 2023	40 00 000	40,000.00							
Issue of Share Capital									
As at March 31, 2024	40 00 000	40,000.00							
b) Other equity									
As at March 31, 2022	30,056.50	5,534.57	2,432.88	30,056.50	5,534.57	-8,739.92	-	29,284.03	
Profit for the year									
Other comprehensive income									
Income tax relating to items that will be reclassified to profit or loss									
Total comprehensive income for the year									
Transactions with owners in their capacity as owners:									
- Issue of equity shares during the year									
- Transfers to:									
Statutory reserve fund									
As at March 31, 2023	30,056.50	5,534.57	2,432.88	30,056.50	5,534.57	-9,844.71	-	28,179.24	
Profit for the year									
Other comprehensive income									
Income tax relating to items that will be reclassified to profit or loss									
As at March 31, 2024	30,056.50	5,534.57	2,432.88	30,056.50	5,534.57	-22,356.93	968.77	16,635.79	

Note-Statutory Reserve fund transferred will be considered at the year end not at the time of quarter closing.

See accompanying notes to the financial statements '1' to '4'

This is the statement of changes in equity referred to in our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants



ASVYAS
Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024

For and on behalf of the Board of Directors
Rajath Finance Limited



Gautami K. Shah
Director
DIN: 0679806
Place: Mumbai
Urvashti Armar
Chief Financial Officer
DIJPR8553F

Place: Mumbai

Shah
Jaya Nilgum
Whole time Director
DIN: 05193565
Place: Mumbai

Shah
Aashish H. Bhatta
Company Secretary
A68264
Place: Mumbai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousands)

Particulars	March 31, 2024		March 31, 2023	
(a) Cash flow from operating activities :				
Profit/(Loss) before tax		-16,342.26		-1,438.23
Adjustments :				
Depreciation & amortisation	1,243.34		900.38	
Impairment on financial instruments	634.52		-	
Dividend received	-0.68		-38.00	
Finance cost	-48.47		363.93	
Change in fair value of investment	1,294.63		-	
Provision on Standard Assets	-		-	
		3,620.28		1,226.31
Operating profit before working capital changes		-12,721.98		-211.92
Adjustments for (increase)/ decrease in operating assets:				
Loans	56,969.86		-4,914.18	
Other Non - financial assets	-372.45		-	
Adjustments for increase/ (decrease) in operating liabilities				
Trade payables & other payables	2,401.85		-740.53	
Other non-financial liabilities	1,321.93		-2,910.16	
		59,430.19		-8,564.87
Cash generated from operations		46,708.21		-8,776.79
Less : Interest paid	-448.47		-363.93	
Less : Income taxes paid (net of refunds)	-4.98		-	
		-453.45		-363.93
Net cash (outflow) from operating activities (a)		46,254.76		-9,140.72
(b) Cash flow from investing activities :				
Purchase of investment	-43,862.57		-	
Purchase of property, plant and equipments	-399.75		-9,404.77	
Purchase of Investment property	-256.22		-	
Dividend	0.68		38.00	
		-44,517.86		-9,366.77
Net cash inflow / (outflow) from investing activities (b)		-44,517.86		-9,366.77
(c) Cash flow from financing activities :				
(Repayment)/Borrowings from banks & financial institutions (Net)	-1,745.37		6,401.37	
		-1,745.37		6,401.37
Net cash (outflow) / inflow from financing activities (c)		-1,745.37		6,401.37
Net decrease in cash and bank balances (a + b + c)		-8.47		-12,106.12
Add : cash and cash equivalents at beginning of the year		1,039.28		13,143.91
Cash and cash equivalents at end of the year		1,030.81		1,039.28

This is the statement of cashflows referred to our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants
Asha Vyas
Partner
Membership No. 047250



Place: Rajkot
Date: 21/06/2024

For and on behalf of the Board of Directors
Rajath Finance Limited

Gautam K. Shah
Director
DIN : 06379806
Place : Mumbai
Urvashi M Parmar
Chief Financial Officer
DIJPP8553F
Place : Mumbai



Jaya Nigam
Whole time Director
DIN: 05193565
Place : Mumbai
Akash H Billeda
Company Secretary
A68264
Place : Mumbai

1 Corporate information

Rajath Finance Limited, was incorporated on August 17, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently, as on December 13, 1984 The Company was registered as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, two wheelers loans, loans against property, personal loans and financing of various micro enterprises.

The registered office of the Company is located at 208-215, Star Plaza, Phulechhab Chowk, Rajkot 360001. The Company is a public limited company.

2 Significant accounting policies and critical accounting estimate and judgments**2.1 Basis of preparation, measurement and significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Basis of Preparation of Financial Statements:**(i) Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the NBFC Master Directions) issued by Reserve Bank of India (RBI). The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended March 31, 2018, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company, which has been prepared in accordance with Ind AS.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by

- (i) certain financial assets and financial liabilities at fair value,
- (ii) assets held for sale measured at fair value less cost to sell, and
- (iii) defined benefit plans - plan assets that are measured at fair value.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 - 'Presentation of Financial Statements' and amendment to Division III of Schedule III to the Companies Act, 2013 dated October 11, 2018, the Company presents its balance sheet in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note No. 48 (i).

(iv) Compliance with RBI Master Direction

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the master directions issued by the Reserve Bank of India (RBI) in terms of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" ("RBI Master Direction") vide Reserve Bank of India (RBI) Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 006/03.10.119/2016-17 dated September 1, 2016 updated on timely basis (the "RBI Directions") as applicable to the Company. Indian Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India (referred to in these Directions as "ICAI") shall be followed insofar as they are not inconsistent with any of these Directions.

(v) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

2.1.2 Revenue Recognition:

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the service rendered (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

1. Identification of contract(s) with customers;
2. Identification of the separate performance obligations in the contract;
3. Determination of transaction price;
4. Allocation of transaction price to the separate performance obligations; and
5. Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Interest income on fixed deposits is recognised as it accrues on a time proportion basis taking into account the amount outstanding

(ii) Loan processing fees and other operating income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognised on accrual basis over the life of the loan. Other operating income i.e. Foreclosure, Bounce Charges and Loan Re-schedulement Charges are accounted on cash basis.

(iii) Income from Investments

Profit / (Loss) earned from sale of Investments is recognised on trade date basis net off expenses incurred on sale. The cost of investment is computed based on weighted average basis.

(iv) Dividend income

Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

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2.1.3 Foreign currency translation :

(i) Functional and presentation currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income

2.1.4 Financial Instruments :

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2.1.5 Financial assets :

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 "Financial Instruments" and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Company may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Re-classification: The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

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Equity instruments:

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

(ii) Impairment

ECL are recognised for financial assets held under amortised cost. The Company follows 'simplified approach' for recognition of impairment loss allowance on loans which contain a financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolio over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.

- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

(iii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

-If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

-Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.

-Significant extension of the loan term when the borrower is not in financial difficulty.

-Significant change in the interest rate.

-Change in the currency the loan is denominated in.

-Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company de-recognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions are not de-recognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Company retains a subordinated residual interest.

21.6 Financial Liabilities:

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

(a) Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

(b) Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognizes any expense incurred on the financial liability; and

(c) Financial guarantee contracts and loan commitments.

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(b) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.1.7 Financial guarantee contracts and loan commitments :

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- (a) The amount of the loss allowance; or
- (b) The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115.

Loan commitments provided by the Company are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.1.8 Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The power to assess the financial performance and position of the Company and make strategic decisions is vested in the executive director who has been identified as the chief operating decisions maker.

The Company is mainly engaged in the commercial finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment as specified in Ind AS 108 on 'Operating Segment'.

2.1.9 Income Tax :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

2.1.10 Off-setting financial Instruments :

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.1.11 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.1.12 Property, plant and equipment :

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life (Years)
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Buildings	60 years
Plant & machinery	8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit or loss.

2.1.13 Intangible assets:

(i) Intangibles Assets

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured.

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortises intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use.

The Company provides pro-rata depreciation from the day the asset is put to use.

The estimated useful lives for the different types of assets are:

Asset	Useful Life (Years)
Computer software	3 years

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.1.14 Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.1.15 Provisions:

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

2.1.16 Employee benefits:

(f) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

2.1.17 Earning Per Shares:

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares if any (Note No.42).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.1.18 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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Company acting as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

2.1.19 Inventories

Inventory is related to shares and carried at cost

2.1.20 Rounding of amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

2.2 Critical accounting estimates and judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

2.2.1 Effective Interest rate method :

The Company recognises interest income/expense using the effective interest rate, i.e., a rate that represents the best estimate of a constant rate of return over the expected life of the loans. The effective interest method also accounts for the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

2.2.2 Impairment of financial assets using the expected credit loss method :

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

2.2.3 Business model assessment :

Classification and measurement of financial assets depends on the results of the SPPI test and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement considered by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

2.2.4 Provisions and contingent liabilities :

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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3. Cash & cash equivalents

Particulars	As at	
	March 31, 2024	March 31, 2023
Cash on hand	152.69	159.35
Balance with banks		
- In current accounts	878.13	878.46
	878.13	878.46
	<u>1,030.81</u>	<u>1,037.80</u>

4. Loans

Particulars	As at	
	March 31, 2024	March 31, 2023
a) Loans		
(i) Unsecured		
Private company in which director is a member/director		
Others	4,877.68	61,847.52
Gross credit exposure	4,877.68	61,847.52
Less: Expected credit loss		
- Contingent provision against standard assets	-1.91	-247.39
- Provision for NPA & doubtful debts	-860.00	-
	-861.91	-247.39
Net credit exposure	<u>3,995.77</u>	<u>61,600.13</u>

Particulars	As at	
	March 31, 2024	March 31, 2023
At amortised cost		
Secured by tangible assets	4,877.68	61,847.52
- By tangible assets	-	-
- By intangible assets	-	-
- By bank/government guarantees	-	-
Unsecured		
Total - Gross	4,877.68	61,847.52
Less: Impairment loss allowance	861.91	247.39
Total - Net	<u>3,995.77</u>	<u>61,600.13</u>

5. Investments

Particulars	Face Value / Issue Price	As at	
		Quantity	Value
Investments			
(a) Equity shares valued at fair value unless stated otherwise			
Quoted, fully paid-up			
Investment in Shares	1.50	-	1.50
Investment in Mutual Fund	43,862.57	-	-
Total	43,864.07	-	1.50
Less: Provision for diminution in the value of investments	-	-	-
Total - Net Investments	<u>43,864.07</u>	-	<u>1.50</u>
Investment outside India	-	-	-
Investment in India	43,864.07	-	1.50
Gross Investments	43,864.07	-	1.50
Less: Allowance for impairment	-	-	0.00
Total - Net Investments	<u>43,864.07</u>	-	<u>1.50</u>

1. The aggregate value of Investments:
(Net of provision for diminution in the value of Investments)

	As at	
	Book Value	Market Value
Quoted	1.50	1.50
Unquoted	-	-
TOTAL	<u>1.50</u>	<u>1.50</u>

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6. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2023
Security deposit	891.00	-
	<u>891.00</u>	<u>-</u>

7. Current tax assets

Particulars	As at March 31, 2023	As at March 31, 2023
Unsecured, considered good		
Taxes paid	206.99	211.94
(Net of income tax provision, as at March 31, 2024 Rs.Nil and as at March 31, 2023 Rs.Nil)		
	<u>4.99</u>	<u>-</u>
	<u>211.98</u>	<u>211.94</u>

8. Deferred tax assets

Particulars	As at March 31, 2023	As at March 31, 2023
Deferred tax asset disclosed in the balance sheet comprises the following :		
a) Deferred tax liability		
(i) Related to property, plant and equipment	37.53	-
(ii) Deferred tax on Ind AS Adjustment	325.86	-
(iii) Fair value of investments		-
(iv) Excess interest spread receivable		-
(v) Interest on collateral deposits		-
	<u>363.39</u>	<u>-</u>
b) Deferred tax asset		
(i) Deferred tax on Ind AS Adjustment	-	-
(ii) Expected credit loss	159.71	-
(iii) Tax losses	3,712.79	988.68
	<u>3,872.50</u>	<u>988.68</u>
Net deferred tax liabilities/(asset) (a) - (b)	<u>3,509.11</u>	<u>988.68</u>

c) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax assets / liabilities:

Particulars	As at April 1, 2023	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2024
Deferred Tax Assets	988.68	3,834.97	-325.86	4,497.79
Net deferred tax liabilities/(asset)	988.68	3,834.97	-325.86	4,497.79

Note:

As a matter of prudence, w.e.f. March 31, 2024 the company has decided to recognise any deferred tax assets (net) in books of accounts. In future, it is recognised only to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilised.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousands)

9 Property, plant and equipment

Particulars	Buildings	Furniture & fixtures	Office Equipments	Computers	Plant & Machinery	Vehicles	Total
Carrying amount as at March 31, 2022	3,494.61	2,189.21	217.78	1,680.61	-	-	7,581.22
Additions during the year	-	-	38.00	72.50	-	9,294.27	9,404.77
Deduction during the year	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Carrying amount as at March 31, 2023	3,494.61	2,188.21	255.78	1,753.11	-	9,294.27	16,985.99
Additions during the period	-	-	34.16	240.25	125.34	-	399.75
Deduction during the period	-	-	-	-	-	-	-
Carrying amount as at March 31, 2024	3,494.61	2,188.21	289.94	1,993.36	125.34	9,294.27	17,385.74
b) Accumulated depreciation							
Opening accumulated depreciation	1,325.39	2,178.54	217.77	1,663.28	-	-	5,384.98
For the year	58.60	1.43	7.22	22.75	-	810.38	900.38
Deduction during the year	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2023	1,383.99	2,179.97	224.99	1,686.03	-	810.38	6,285.36
For the period	58.76	1.43	8.55	54.72	4.16	1,106.72	1,234.34
Deduction during the period	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2024	1,442.75	2,181.40	233.54	1,740.75	4.16	1,917.10	7,519.70
c) Net carrying amount							
As at March 31, 2023	2,110.62	8.24	30.79	67.08	-	8,483.89	10,700.63
As at March 31, 2024	2,051.86	6.81	56.40	252.61	121.18	7,377.17	9,866.04

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property. The vehicle is in the name of erstwhile director who was using the same for business purposes. The present management will take the necessary steps to regularize the accounts in the matter of this vehicle.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2024

(Amount in Thousand)

10 Intangible Asset

Particulars	Software and Website	Total
Carrying amount as at March 31, 2022	-	-
Additions during the year	-	-
Deduction during the year	-	-
Adjustments /Transfer from	-	-
Carrying amount as at March 31, 2023	-	-
Additions during the year	256.22	256.22
Deduction during the year	-	-
Carrying amount as at June 30, 2022	256.22	256.22
Accumulated depreciation as at March 31, 2022	-	-
For the year	-	-
Deduction during the year	-	-
Accumulated depreciation as at March 31, 2023	-	-
For the year	9.00	9.00
Deduction during the year	-	-
Accumulated depreciation as at June 30, 2022	9.00	9.00
c) Net carrying amount		
As at March 31, 2023	-	-
As at March 31, 2024	247.22	247.22

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11. Inventories

Particulars	As at	
	March 31, 2024	March 31, 2023
Inventory at the end of the year		
Shares	209.43	209.43
	<u>209.43</u>	<u>209.43</u>
Inventory at the beginning of the year		
Shares	209.43	209.43
	<u>209.43</u>	<u>209.43</u>

12. Other non-financial assets

Particulars	As at	
	March 31, 2024	March 31, 2023
Other Deposit	269.62	269.62
GST Input Credit	308.48	-
Prepaid expenses	63.97	-
	<u>642.07</u>	<u>269.62</u>

13. Trade payables

Particulars	As at	
	March 31, 2024	March 31, 2023
Total outstanding dues of:		
- Micro enterprises and small enterprises	1,031.99	-
- Creditors other than micro enterprises and small enterprises		
(i) Due to related party	-	-
(ii) Due to others	1,727.46	357.60
	<u>2,759.45</u>	<u>357.60</u>

11. a) Trade payables

March 31, 2024

Particulars	Outstanding for following periods from due date of payment#		
	Less than 1 year	Less than 1 year	1-2 years
(i) MSME	1,031.99	-	-
(ii) Others	1,727.46	-	-
(iii) Disputed dues - MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
	<u>2,759.45</u>	<u>-</u>	<u>-</u>

11. a) Trade payables

March 31, 2023

Particulars	Outstanding for following periods from due date of payment#		
	Less than 1 year	Less than 1 year	1-2 years
(i) MSME	-	-	-
(ii) Others	357.60	-	-
(iii) Disputed dues - MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
	<u>357.60</u>	<u>-</u>	<u>-</u>

14. Borrowings

Particulars	As at	
	March 31, 2024	March 31, 2023
At amortised cost		
From banks / financial institutions		
- Secured		
(i) Vehicle loan - (Refer note "a" below)	4,656.00	6,401.37
	<u>4,656.00</u>	<u>6,401.37</u>
	4,656.00	6,401.37
Total borrowings (a)	<u>4,656.00</u>	<u>6,401.37</u>
Borrowings in India	4,656.00	6,401.37
Borrowings outside India	-	-
Total borrowings (b)	<u>4,656.00</u>	<u>6,401.37</u>

13. Provisions

Particulars	As at	
	March 31, 2024	March 31, 2023
Provision for expenses	162.79	16.60
	<u>162.79</u>	<u>16.60</u>

14. Other non-financial liabilities

Particulars	As at	
	March 31, 2024	March 31, 2023
Statutory dues payable	1,242.16	66.42
	<u>1,242.16</u>	<u>66.42</u>

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

15 Equity share capital

Particulars	As at		As at	
	March 31, 2024		March 31, 2023	
	Nos.	Value	Nos.	Value
Authorised				
Equity shares of Rs. 10 each	7,500,000	75,000.00	7,500,000	75,000.00
		<u>75,000</u>		<u>75,000</u>
Issued, subscribed & paid-up				
Equity share capital				
Equity shares of Rs. 10 each	4,000,000	40,000.00	4,000,000	40,000.00
		<u>40,000.00</u>		<u>40,000.00</u>

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Outstanding at the beginning of the year	4,000,000	40,000,000.00	4,000,000	40,000,000.00
Shares issued during the year	-	-	-	-
Less: Shares cancelled due to amalgamation	-	-	-	-
Outstanding at the end of the year	<u>4,000,000</u>	<u>40,000,000.00</u>	<u>4,000,000</u>	<u>40,000,000.00</u>

b) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing annual general meeting, is paid in Indian rupees, except in case of interim dividend.

c) Terms/rights/restrictions attached to preference shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per sharehold. The equity shareholders are entitled for dividend as may be proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e) Details of shareholders holding more than 5% of the shares in the Company

	As at		As at	
	March 31, 2024		March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Hitesh Bagdai	-	0.00%	896,853	22.42%
Poonam Bagdai	-	0.00%	896,851	22.42%
Bhavdeep Vala	-	0.00%	996,851	24.92%
Samco Securities Limited	-	0.00%	826,012	20.65%
9Anium Tech LLP	29 50 055	73.75%	-	0.00%
Hiral A Gathani	8 25 862	20.65%	-	0.00%
	<u>3,775,917</u>	<u>94.40%</u>	<u>3,616,567</u>	<u>90.41%</u>

e) Details of shareholding of promoter

	As at		As at	
	March 31, 2024		March 31, 2023	
	No. of Shares		No. of Shares	
Hitesh Bagdai	-		896,863	
Poonam Bagdai	-		896,851	
Bhavdeep Vala	-		996,851	

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2024

(Amount in Thousand)

16 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
i) General Reserve		
As per last balance sheet	2,432.88	2,432.88
Add : Transfer during the year	-	-
Less : Paid during the year	-	-
	<u>2,432.88</u>	<u>2,432.8</u>
ii) Capital Reserve		
As per last balance sheet	30,056.50	30,056.50
Add : Transfer during the year	-	-
Less : Paid during the year	-	-
	<u>30,056.50</u>	<u>30,056.5</u>
iii) Special reserve (Refer note 2 below)		
As per last balance sheet	5,534.57	5,534.57
Add : Transfer from retained earning during the year	-	-
	<u>5,534.57</u>	<u>5,534.5</u>
iv) Retained earning		
As per last balance sheet under Previous GAAP		-
Add/(Less) : Ind AS Adjustments		-
Deferred tax on above adjustment		-
As per last balance sheet	-9,844.71	-8,739.92
Add : Transfer from statement of profit & loss	-12,512.22	-1,104.79
	<u>-22,356.93</u>	<u>-9,844.7</u>
TOTAL	<u>15,667.02</u>	<u>28,179.2</u>

Notes:

1. Statutory reserve fund created pursuant to section 45-IC of the Reserve Bank of India Act, 1934.

17 Nature and purpose of other equity

a) Statutory reserve fund in terms of section 45-IC (1) of the Reserve Bank of India Act, 1934

Statutory reserve fund is created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20% of the profit for the year for NBFC companies.

b) Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

The company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/(asset).

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18. Interest income		
Particulars	March 31, 2024	March 31, 2023
On financial assets measured at amortised costs:		
Interest income on :		
- Loans	818.60	3,274.04
	818.60	3,274.04
	<u>818.60</u>	<u>3,274.04</u>

19. Other income		
Particulars	March 31, 2024	March 31, 2023
Profit on sale of mutual fund	49.89	-
Dividend received	67.95	38.00
	117.84	38.00
	<u>117.84</u>	<u>38.00</u>

20. Finance cost		
Particulars	March 31, 2024	March 31, 2023
On financial liabilities measured at amortised cost:		
Interest on :		
- Borrowings from banks & financial institutions	448.47	363.93
	448.47	363.93
	<u>448.47</u>	<u>363.93</u>

21. Impairment on financial instruments		
Particulars	March 31, 2024	March 31, 2023
At amortised cost:		
- Loans		
(i) Bad Debts written off	-	-
(ii) Provision/(Reversal) for NPA & doubtful debts	120.86	3,000.00
(iii) Contingent provision against standard assets	1,217.65	-
(iv) Provision for impairment loss	880.00	(3,000.00)
(v) (Profit)/ Loss on sale of repossessed assets		
	2,218.52	-
	<u>2,218.52</u>	<u>-</u>

Disclosure on the asset classification and computation of provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) RBI/2019-20/170 DOR (NBFC), CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

Asset Classification as per RBI Norms	Standard Assets	Non Performing Assets	Total
Loans	479.58	5,280.00	5,759.58
Impairment provision	-1.90	-880.00	-881.90
Loans (net of provision)	477.68	4,400.00	4,877.68

22. Employee benefits expense		
Particulars	March 31, 2024	March 31, 2023
- Salaries and wages	891.56	435.30
	891.56	435.30
	<u>891.56</u>	<u>435.30</u>

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Mr. [Signature]
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


23. Other expenses

	March 31, 2024	March 31, 2023
Auditor's remuneration (Refer Note No. 24)	12.50	14.75
Director Remuneration	4,000.00	450.00
Bank charges	1.21	0.38
Directors' sitting fees	600.00	-
Donation	-	115.00
Insurance	76.64	-
Legal & professional fees	4,059.10	1,349.85
Rates and taxes	455.95	4.62
Miscellaneous expenses	87.83	23.00
Printing and stationary	20.89	-
Postage, telegram & telephone	22.30	5.08
IT expenses	15.65	5.50
GST expenses	347.13	-
Rent	1,336.50	-
Repairs & maintenance - others	-	1.90
ROC Filing Fees & Stamp Duty	46.96	-
Travel & conveyance	374.21	579.00
Marketing expenses	449.75	48.07
Electricity expenses	53.30	30.79
Debit balance written off	4.41	-
Listing expenses	383.50	354.00
Office expenses	128.97	68.71
	<u>12,476.80</u>	<u>3,050.65</u>

24. Auditors' remuneration

	March 31, 2024	March 31, 2023
Audit fees	12.50	14.75
Total	<u>12.50</u>	<u>14.75</u>



RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousands)

25 Computation of Earnings per Share (Basic and Diluted):

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of shares outstanding during the year.

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
I. Profit Computation for both Basic and Diluted Earnings Per Share of Rs 10 each: Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (amount in thousands)	(12,512.22)	(1,104.79)
II. Weighted average number of Equity Shares for Earnings Per Share computation: Number of shares for Basic Earnings Per Share	4,000,000	4,000,000
Number of shares for Diluted Earnings Per Share	4,000,000	4,000,000
III. Earnings Per Share: Basic (in Rs)	(3.13)	(0.28)
Diluted (in Rs)	(3.13)	(0.28)

26 Related Party Disclosures

(a) Names of related parties and nature of relationship

Names of Related party	Nature of Relationship
Jaya Nigam	Whole Time Director
Gautam Kiritkumar Shah	Managing Director
Prakash Darshibhai Shah	Independent Director
Jayna Rachit Shah	Independent Director
Urvashi Manoj Parmar	Chief Financial Officer
Akash Hirenbbhai Bheda	Company Secretary and Compliance Officer
Sarat Kumar Malik	Independent Director

(b) Related Party Disclosures

The following transactions were carried out during the year with the related parties in the ordinary course of business:

Sr. No	Particulars	Key Management person and relatives	Subsidiary/ Associate	Companies in which key management person has significant control	Total
1	Director's Remuneration & Reimbursement	4,000.00 (450.00)	- (-)	- (-)	4,000.00 (450.00)
2	Rent paid	1,764.18	-	-	1,764.18
3	Security deposit	891.00	-	-	891.00
4	Director sitting fees	600.00	-	-	600.00

(iii) Maturity pattern of assets and liabilities

Particulars	Repayable on demand	Long term	Total
Liabilities			
Borrowings from Others		4,656	4,656
Assets			
Loans		3,996	3,996
Investments	43,864	-	43,864

27 Dues to Micro, Small and Medium Enterprises (MSME)

The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the 'Act') and hence disclosure regarding following has not been provided.

- Amount due and outstanding to MSME suppliers as at the end of the accounting year.
- Interest paid during the year to MSME
- Interest payable at the end of the accounting year.
- Interest accrued and unpaid at the end of the accounting year to MSME

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act. Management believes that the figures for disclosure will not be significant.

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28 Risk management objectives and policies

(i) Risk Management Framework

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Nature of Risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: (i) when long term assets cannot be funded at the expected term resulting in cashflow mismatches; (ii) amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: (i) measured by identifying gaps in the structural and dynamic liquidity statements. (ii) monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. - a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. - periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. (iii) managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee (ALCO)	Interest rate risk is: (i) monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. (ii) managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	Credit risk is: (i) measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various metrics such as EMI default rate, overdue position, collection efficiency, customers non performing loans etc. are used as leading indicators to assess credit risk. (ii) monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, geographic, customer and portfolio concentration risks. (iii) managed by a robust control framework by the risk department which continuously align credit policies and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee

(a) Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

28 (f) Risk management objectives and policies (Contd.)

The table below shows an analysis of assets and liabilities (maturity analysis) according to when they are to be recovered or settled.

(Amount in Thousands)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial assets						
(a) Cash and cash equivalents	1,030.81	-	1,030.81	1,039.28	-	1,039.28
(b) Loans	3,995.77	-	3,995.77	61,600.13	-	61,600.13
(c) Investments	43,864.07	-	43,864.07	1.50	-	1.50
(d) Other financial assets	891.00	-	891.00	-	-	-
2. Non-financial assets						
(a) Inventories	-	209.43	209.43	-	209.43	209.43
(b) Current tax assets (Net)	211.98	-	211.98	211.94	-	211.94
(c) Deferred tax assets (Net)	-	4,497.79	4,497.79	-	988.68	988.68
(d) Property, plant and equipment	-	9,866.04	9,866.04	-	10,700.63	10,700.63
(e) Other intangible assets	-	247.22	247.22	-	-	-
(f) Other non-financial assets	642.07	-	642.07	269.62	-	269.62
Total assets	50,635.70	14,820.48	65,456.18	63,122.47	11,898.74	75,021.21

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial liabilities						
(a) Payables						
- Trade payables	2,759.45	-	2,759.45	357.60	-	357.60
- Other payables	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	2,054.45	2,601.85	4,656.30	1,745.07	4,656.30	6,401.37
(e) Other financial liabilities	1,242.16	-	1,242.16	66.42	-	66.42
2. Non-financial Liabilities						
(a) Provisions	162.79	-	162.79	16.60	-	16.60
Total liabilities	6,218.85	2,601.85	8,820.70	2,185.69	4,656.30	6,841.99
Net	44,416.85	12,218.63	56,635.47	60,936.78	7,242.44	68,179.22

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Jr. *SR* *(W)* *(AA)*



29 Fair values

a) Financial instruments - fair value and risk management

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- (i) Fair values of investments held for trading under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- (ii) Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.
- (iii) Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- (iv) Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: - financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Disclosures of Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

As at March 31, 2024

(Amount in Thousand)

Assets and liabilities measured at fair value - recurring fair value measurements	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	43,864.07	43,864.07	-	-	43,864.07
Total financial assets	43,864.07	43,864.07	-	-	43,864.07
Financial liabilities					
	-	-	-	-	-
Total financial liabilities	-	-	-	-	-

As at March 31, 2024

(Amount in Thousand)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivalents	1,030.81	-	-	1,030.81	1,030.81
Loans	3,995.77	-	-	3,995.77	3,995.77
Total financial assets	5,026.58	-	-	5,026.58	5,026.58
Financial liabilities					
Payables					
- Trade payable	2,759.45	-	-	2,759.45	2,759.45
Borrowings	4,656.00	-	-	4,656.00	4,656.00
Total financial liabilities	7,415.45	-	-	7,415.45	7,415.45

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As at March 31, 2023

(Amount in Thousand)

Assets and liabilities measured at fair value - recurring fair value measurements	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	1.50	-	1.50	-	1.50
Total financial assets	1.50	-	1.50	-	1.50
Financial liabilities					
	-	-	-	-	-
Total financial liabilities	-	-	-	-	-

As at March 31, 2023

(Amount in Thousand)

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivalents	1,039.28	-	-	1,039.28	1,039.28
Loans	61,600.13	-	-	61,600.13	61,600.13
Total financial assets	62,639.41	-	-	62,639.41	62,639.41
Financial liabilities					
Payables					
• Trade payable	357.60	-	-	357.60	357.60
Borrowings	6,401.37	-	-	6,401.37	6,401.37
Total financial liabilities	6,758.97	-	-	6,758.97	6,758.97

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Listed equity investments (other than subsidiaries and associates - Quoted bid price on stock exchange
- Mutual fund - net asset value of the scheme
- Debentures or bonds - based on market yield for instruments with similar risk / maturity, etc.
- Private equity investment fund - price to book value method and
- Other financial instruments - discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, cash and cash equivalents, bank deposits and trade payables. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of debt securities, borrowing other than debt securities, subordinate liability are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

30 Financial instruments - fair value and risk management

a) Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities

(Amount in Thousand)

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
(a) Cash and cash equivalents	-	-	1,030.81	-	-	1,039.28
(b) Loans	-	-	3,995.77	-	-	61,600.13
(c) Investments	-	43,864.07	-	-	1.50	-
(f) Other financial assets	-	-	891.00	-	-	-
Total financial assets	-	43,864.07	5,917.58	-	1.50	62,639.41
Financial liabilities						
(a) Payables						
- Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	1,031.99	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,727.46	-	-	357.60
- 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	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	-	-	4,656.00	-	-	6,401.37
Total financial liabilities	-	-	7,415.45	-	-	6,758.97

2






RAJATH FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 31 **Segment Reporting**
The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.
- 32 **Events After Reporting Date**
There have been no events after the reporting date.
- 33 **Compliance With Number of Layer of Companies**
The Company has complied with the number of layers prescribed under clause (67) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.
- 34 **Undisclosed Income**
There are no transactions not recorded in the books of accounts for the financial years ended March 31, 2024 and March 31, 2023.
- 35 **Items of Income and Expenditure of Exceptional Nature**
There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2024 and March 31, 2023.
- 36 **Loans to Directors, Senior Officers and Relatives of Directors**
disclosure pursuant to RBI notification RBI/2022-23/29 dOR.CRe.R-C.no.25/03.10.001/2022-23 dated April 19, 2022.

Particulars	Aggregate amount of such sanctioned loans and advances	
	March 31, 2024	March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

- 37 **Details of Crypto Currency or Virtual Currency**
The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.
- 38 **Details of Benami Property Held**
No proceedings have been initiated or pending against the Company for holding any benami property under the Benami transactions (prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.
- 39 **Willful Defaulter**
The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.
- 40 **Relationship With Struck Off Companies**
No transactions are with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023.
- 41 **Title Deeds of Immovable Properties Held in Name of The Company**
The Company confirms that the title deeds of immovable properties are held in the name of the Company.

42 **Ratio Analysis**

Particulars		March 31, 2024	March 31, 2023	Reason for ratio variance
Current Ratio	Times	6.71	9.27	
Debt-Equity Ratio	Times	0.08	0.09	
Debt Service Coverage Ratio	Times	-	-	
Return on Equity Ratio	%	-0.22	-0.02	
Inventory Turnover Ratio	Times	NA	NA	
Trade Receivable Turnover Ratio	Times	NA	NA	
Net Capital Turnover Ratio	%	1.45%	4.80%	
Net Profit Ratio	%	-19.96%	-4%	
Return on Capital Employed	%	-25.87%	-0.26%	
Return on Investment	%	-22.09%	-1.62%	

During the year, company has not given new loans to customers. Hence its turnover has been reduced.

- 43 **Contingent liabilities not provided for in respect of:**

Particular	Assessment year	Date of Notice	Principal	Interest	Balance Outstanding payable
Income tax act	2004-2005	10-Feb-20	1,384.33	-	1,384.33
Income tax act	2004-2005	16-Apr-14	670.27	833.98	1,504.26
Income tax act	2004-2005	16-Apr-15	1,504.26	427.73	1,931.99
Total			3,558.86	1,261.71	4,820.57

- 44 **Previous Year Comparatives**
The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year presentation.

For A. D. Vyas & Co.
Firm Registration Number: 113585W
Chartered Accountants

Ashu Vyas
Partner
Membership No. 047250
Place: Rajkot
Date: 21/06/2024



For and on behalf of the Board of Directors
Rajath Finance Limited

Manoj K. Shah
Director
DIN - 06379806
Place: Mumbai
Ajay K. Parmar
Chief Financial Officer
DIJPPASSOF
Place: Mumbai

Jaya Nilgaj
Whole time Director
DIN: 05193565
Place: Mumbai
Ajay K. Parmar
Company Secretary
A66264
Place: Mumbai



Attendance Slip
To be handed over at the entrance of the meeting hall

Annual General Meeting of the company held on Friday, 20th September, 2024

Name of member: _____

Name of Proxy: _____
(To be filled if the proxy attends instead of the member)

Registered Folio No. _____

DP ID: _____

Client ID: _____

No. of shares held: _____

I/We hereby record my/our presence at the thirty-ninth Annual General Meeting to be held at Office No. 1001, tenth floor, K.P. Aurum Building, Marol Maroshi Road, Andheri (East), Mumbai – 400059., India on Friday, 20th September 2024 at 02:30 p.m.

Date: _____

Place:
Signature

Member's/ Proxy's

(To be signed at the time of handing over the slip)

- Member/Proxyholder are requested to bring their copies of the Annual Report at the Annual General Meeting.
- Copies will not be distributed at the Meeting.
- Member/Proxyholder should also bring a valid photo identity (i.e. PAN/AADHAR etc.) for identification purposes.

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 : L65910MH1984PLC419700

Name of the company: Rajath Finance Limited

Registered office : Office No. 1001, tenth floor, K.P. Aurum Building, Marol Maroshi Road,
Andheri (East), Mumbai – 400059, 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:
E-mail Id:
Signature:, or failing him

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

3. Name:
Address:
E-mail Id:
Signature:.....

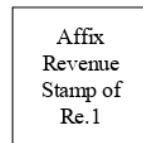
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company, to be held on the 20th day of September 2024 at 02.30 p.m. at Office No. 1001, tenth floor, K.P. Aurum Building, Marol Maroshi Road, Andheri (East), Mumbai – 400059, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2024, and the reports of the Board of Directors and Auditors thereon.
2	To appoint a director in place of Mrs. Jaya Nigam [DIN: 05193565], who retires by rotation and being eligible, offers herself for re-appointment
3	To appoint M/s. N.C. Vaishnav & Co, Chartered Accountant as the Statutory Auditor of the Company and in this regard pass the following resolution
Special Business	
4	Appointment of Mr. Ashok Kumar Nag as Independent Director of the Company
5	To set limit to make investments and to give guarantee or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013

Signed this..... day of..... 2024

Signature of
shareholder

Signature of Proxy
holder(s)



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: L65910MH1984PLC419700]**

Registered Office: Office No. 1001, tenth floor, K.P. Aurum Building, Marol Maroshi Road, Andheri (East), Mumbai – 400059, India.

Phone: 022-29200037 **Website:** <https://www.fynxcapital.com> Email: 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, 2024, and the reports of the Board of Directors and Auditors thereon.			
2	To appoint a director in place of Mrs. Jaya Nigam [DIN: 05193565], who retires by rotation and being eligible, offers herself for re-appointment			
3	To appoint M/s. N.C. Vaishnav & Co, Chartered Accountant as the Statutory Auditor of the Company			
4	Appointment of Mr. Ashok Kumar Nag as Independent Director of the Company			
5	To set limit to make investments and to give guarantee or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013			

Place:

Date:

(Signature of the shareholder)

Rajath Finance Limited

Registered office : Office No.1001, Tenth Floor, K.P. Aurum Building, CTS No.426A,
Marol Maroshi Road, Andheri (E), Mumbai - 400059, Maharashtra,
India

Tel: 022-29200027 / 022-29200037

Website: www.fynxcapital.com

