

31th Annual Report 2015-16



RAJATH FINANCE LIMITED

Regd. Office
208-215, "Star Plaza"
Phulchhab Chowk
Rajkot -360 001.

Phone :0281-2447800 Fax: 0281-2454271

E-mail : rajathfin@hotmail.com, investorrelations-rajath@hotmail.com
Web. : www.rajathfinance.com

Corporate Information:**Board of Directors**

Hitesh Bagdai
Managing Director
Bhavdeep Vala
Executive Director
Poonam Bagdai
Non-executive &
Non-Independent Director
Kantilal Khakhar
Independent Director
Ketanbhai Dhulesiya
Independent Director
Janish Ajmera
Independent Director

Audit Committee

Kantilal Khakhar, Chairman
Ketan Dhulesiya, Member
Bhavdeep Vala, Member

Nomination**& Remuneration Committee**

Kantilal Khakhar, Chairman
Ketan Dhulesiya, Member
Bhavdeep Vala, Member

Shareholder's Grievance**Committee:**

Ketan Dhulesiya, Chairman
Kantilal Khakhar, Member
Bhavdeep Vala, Member

Statutory Auditors

S A D P & Co.,
Chartered Accountants,
BB House, 5 - Collegewadi,
Near Kathiawad Gymkhana,
Rajkot - 360 001,
Gujarat

Bankers

IndusInd Bank
Corporation Bank

Redg. Office

Rajath Finance Ltd.
CIN: L65910GJ1984PLC007486
208 - 215 Star Plaza,
Phulchhab Chowk,
Rajkot - 360 001, Gujarat
Phone : 0281-2447800, Fax : 0281-
2454271

E-Mail: rajathfin@hotmail.com
Web: www.rajathfinance.com

Registrars &**Share Transfer Agent**

LINK INTIME INDIA PVT. LTD.
Unit No. 303, 3rd Floor, Shoppers
Plaza V,
Opp. Municipal Market, B/h. Shoppers
Plaza
Off. C G Road,
Ahmedabad - 380 009
Tele No. 079 - 26465179
Email: ahmedabad@linkintime.co.in

RAJATH FINANCE LIMITED

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of the Company will be held on **Thursday, 29th September, 2016** at 03:00 p.m. at the Registered Office of the Company situated at 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360 001, to transact the following business:

❖ **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Bhavdeep Vala**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration and to consider and if thought fit, to pass following resolution as an **Ordinary Resolution** thereof:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, **M/s. SADP & Co., Chartered Accountants** (ICAI Registration No. 124872W), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting and that the Board of Directors be and are hereby authorized to fix such remuneration as agreed upon between the Auditors and the Board of Directors."

❖ **Special Business:**

4. To appoint **Mrs. Poonam H. Bagdai** (DIN: 00353024), as a Director, and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mrs. Poonam H. Bagdai** (DIN: 00353024), who was appointed as an Additional Director by the Board of Directors, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of a non-executive director of the Company, **Mrs. Poonam H. Bagdai** be and is hereby appointed as a Director of the Company"

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

Date : 30/05/2016

Place : Rajkot

Sd/-

(HITESH BAGDAI)
Managing Director
DIN: 00575732

Address of Registered Office:

Rajath Finance Limited,

CIN: L65910GJ1984PLC007486

208 - 215, Star Plaza,

Phulchhab Chowk,

Rajkot - 360 001, Gujarat

Contact Number: 0281 - 30133 44 / 244 78 00

Fax: 0281 - 2454271

E-Mail: investorrelationsrajath@hotmail.com

Website: www.rajathfinance.com

NOTES:

- A. A Member entitled to attend and vote at the Annual General Meeting ("the meeting") is entitled to appoint a proxy to attend and vote on poll and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
- B. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Wednesday, 28th September, 2016.
- C. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
- D. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agents, M/s Link Intime (India) Private Limited.
- E. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
- F. 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. Members may also note that the Annual Report for FY 2015-16 will also be available on the Company's website www.rajathfinance.com for their download.
- G. In terms of Section 152 of the 2013 Act, Mr. Bhavdeep Vala (DIN: 00153775), Director, retire by rotation at this Meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company recommends reappointment of Mr. Vala.
- H. In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by National Securities Depository Limited (NSDL).

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- I. The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 23rd September, 2016 i.e. cutoff date only shall be entitled to avail the facility of remote e-voting as well as the voting in the Annual General Meeting. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). **The remote e-voting period will commence at 9.00 a.m. on Monday, 26th September, 2016 and will end at 5.00 p.m. on Wednesday, 28th September, 2016.** In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Ms. Purvi G. Dave, Practicing Company Secretary, Partner, M/s. MJP Associates to act as the Scrutinizer & scrutinize the entire e-voting process in Annual General Meeting in a fair and transparent manner. The instructions for e-voting with User Id and Password is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses,

Physical copies are being sent by the permitted mode. The instructions for remote e-voting are give hereunder after closure of notes.

- J. 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.

BRIEF PROFILE OF DIRECTORS SEEING APPOINTMENT

Director's Name	MR. BHAVDEEP V. VALA	MRS. POONAM H. BAGDAI
Age	48 Years	47 Years
Date of Appointment as Director in Company	27 th February, 2007	30 th October, 2015 (Additional Director)
Qualification	Undergraduate	Graduate
Experience in specific functional area	Wide experience in real estate business	Analyst in Finance
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited)	Nil	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Nil	Nil

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

Date : 30/05/2016

Place : Rajkot

(HITESH BAGDAI)
Managing Director
[DIN: 00575732]

❖ **Instructions for e-Voting:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and as per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 31st Annual General Meeting of the Company.

The Company has engaged the services of National Securities Depository Limited ("NSDL") as the Authorized Agency to provide e-voting facilities.

The e-voting facility will be available commence at 9.00 a.m. on Monday, 26th September, 2016 and will end at 5.00 p.m. on Wednesday, 28th September, 2016.

The cut-off date for the purpose of ascertaining the eligibility of members to avail e-voting facility is September 23, 2016. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

Attention is invited to the statement on the accompanying Notice that all businesses at the meeting may be transacted through electronic voting system and that the Company is providing facility for voting by electronic means.

Please read the instructions given below before exercising the vote.

- i. Open the PDF file "e-Voting.pdf" with your client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. If you are already registered with NSDL for e-voting then you have to use your existing user ID and Password/ PIN to cast your vote.
- iii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- iv. Click on "Shareholder – Login"
- v. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- vi. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. Home page of e-voting opens. Click on "e-Voting: Active Voting Cycles".
- viii. Select "EVEN" (E-voting Event Number) of Rajath Finance Limited
- ix. Now you are ready for e-voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to dave.purvig@gmail.com with a copy marked to evoting@nsdl.co.in

RAJATH FINANCE LIMITED

In case of any queries, related to website or other issues you may contact NSDL Help Desk at Tel No. (Toll Free) 1800-222-990 / e-mail at helpdesk@nsdl.co.in

Contact: Mr. Mandar Gayakwad - 022-24994559/Ms. Pallavi Majtre - 022-24994545 / Mr. Rajeev Ranjan - 022-24994738

Mail at:

National Securities Depository Limited,
TradeWorld, 'A' Wing, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
MUMBAI 400 013

Email at:

evoting@nsdl.co.in

CS (Ms.) Purvi Dave, Partner, **MJP Associates**, Practicing Company Secretaries (Membership No. A27373) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Results shall be declared on or after the AGM of the Company. The Results along with the Scrutinizer's Report(s) will be available on the website of the Company (www.rajathfinance.com) and on NSDL's website (<https://www.evoting.nsdl.com>) 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.

DIRECTORS' REPORT

To,
The Members,
Rajath Finance Limited,

Your Directors are pleased to present their 31st Annual Report for the financial year ended on 31st March, 2016.

FINANCIAL RESULTS:

Your Company's performance for the year ended on 31st March, 2016, is summarized as under:

(Amt. in Rs.)

Sr. No.	PARTICULARS	2015-16	2014-15
1.	Revenue from Operation	39,69,741	40,31,266
2.	Other Income	500	30,202
3.	Total Revenue (1+2)	39,70,241	40,61,468
4.	Depreciation & Amortization Exp.	1,05,509	2,17,702
5.	Other Expenses	26,31,150	40,33,146
6.	Profit/(Loss) Before Tax	(8,01,008)	(5,97,605)
7.	Current Tax	1,52,632	11,141
8.	Deferred Tax	1,50,325	4,21,788
9.	Excess/short provision relating earlier year tax	12,84,204	---
10.	Profit/(Loss) After Tax (PAT)	(7,86,153)	(10,30,534)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

During the year under Report, your Company has recorded the total Revenue Rs. 39,70,741/- as compared to Rs.40,31,266/- of previous financial year 2014-15. However, , the Company has incurred net loss of Rs.7,86,153/- as compared to net loss of Rs.10,30,534/- of previous year. The management is leaving no efforts to decrease losses gradually. Further, your management assures for their best performance in this direction so that the company can convert its losses to the profit in the coming years.

DECLARATION OF DIVIDEND & TRANSFER OF AMOUNT TO RESERVES:

Due to loss, your Board of Directors does not recommend declaration of dividend. Moreover, no amount is being transferred to Reserves during the financial year 2015-2016.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2016 was Rs. 4 crores. During the year under review, the Company has not issued any shares or any convertible instruments.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134 (3) (a) of Companies Act, 2013, Form MGT 9 [as specified in Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014] the extract of Annual Return for the Financial Year 2015-16 is enclosed with this report.

BOARD MEETINGS AND INDEPENDENT DIRECTOR'S MEETING:

The Board of Directors of the Company respectively met Five times on 30/05/2015, 31/07/2015, 30/10/2015, and 01/02/2016 during the financial year 2015-16.

Further, the Independent Directors meeting was held on 21st March, 2016 to review the performance of non-independent directors and the Board as a whole, taking into account the views of executive directors and non-executive directors and assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD'S RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and 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 that he/ she meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

The Company has the practice to take the declaration of independence from all Independent Directors on his/ her 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.

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

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

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

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

STATUTORY AUDITOR AND AUDITORS' REPORT:

M/s. SADP & CO., Chartered Accountants, Rajkot, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Auditors' Report does not contain any qualification, reservation or adverse remark AND the Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not require any further comment thereon.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board has appointed Nayna Paramalji Chopra, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith. The Secretarial Auditors have observed about the non-appointment of Company Secretary as well as Chief Financial Officer in the Company. The delay in the appointments has been occurred due to weak financial position of the Company. However, the management is assuring that the Company will soon proceed for the appointment of the required KMPs in terms of the provisions of the Companies Act, 2013

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:

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

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:

The Company has not entered into any contract or arrangement with related party which is not at arms' length requiring approval of shareholders in the general meeting as required under section 188 of the Companies Act, 2013. The Audit Committee reviews all the transactions with related party on quarterly basis and recommends the same to the Board for their approval. Your Directors draw attention of the members to Note no. 23 to financial statements and Form AOC-2 annexed to this report which set out related party disclosures.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company with a net worth of Rs. 500 Crores or more OR an annual turnover of Rs.1000 Crores or more OR with a net profit of Rs. 5 Crores or more is required to constitute a CSR Committee. At present, the Company is not required to constitute a CSR Committee in this regards as none of the above referred limits have been triggered.

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BOARD OF DIRECTORS:

During the year under report the Board of directors had appointed Mrs. Poonam H. Bagdai [DIN: 00353024] as an additional director in their meeting held on 30th October, 2015. The Board recommends her appointment as director in ensuing Annual General Meeting.

In terms of Section 152 (6) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Bhavdeep V. Vala, Director (DIN: 00153775) retires by rotation and being eligible, has offered himself for re- appointment. The Board recommends the same for your approval.

As on 31st March, 2016, Composition of Board of Directors was as follows:

Sr No.	Name	Designation	Category	Director Identification Number (DIN)	Date of Appointment
1	Mr. Hitesh Manubhai Bagdai	Managing Director	Executive	00575732	27/02/2007
2	MR.Bhavdeep Vajubhai Vala	Director	Executive	00153775	27/02/2007
3	Mr. Kantilal Kalidas Khakhar	Director	Independent	01957569	05/02/2008
4	Mr.Ketanbhai Govindbhai Dhulesiya	Director	Independent	02252208	31/03/2009
5	Mrs. Poonam Hitesh Bagdai	Additional Director	Non-Executive & Non-Independent	00353024	30/10/2015
6	Mr. Janish Navinchandra Ajmera	Director	Independent	06708217	30/12/2013

BOARD COMMITTEES:

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

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

During the year under report, all the recommendations of the Audit Committee were duly considered.

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

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

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

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

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

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

PARTICULARS OF EMPLOYEES:

There are no employees in the Company drawing remuneration of more than Rs. 5 Lacs per month or 60 Lacs per annum, as prescribed in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE GOVERNANCE :

Provisions relating to Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to our company. Further Certificate regarding non applicability of Corporate Governance requirements from M/s. SADP & Co, Chartered Accountants, and the Statutory Auditors of the Company is annexed to this Report of Board of Directors. 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.

RISK MANAGEMENT:

The Company has framework for managing its risk. It has led down detail procedure to inform Board member about the Risk assessment and Minimization Procedure. The Company has made the policy in this regard and the same is reviewed periodically to ensure the executive management control risk through means of proper framework.

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SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

As at 31st March, 2016, the Company doesn't have any Subsidiary, Joint Venture or Associate Companies.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls with reference to financial statements. During the year under report, no reportable material weakness was observed.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:

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

VIGIL MECHANISM:

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.rajathfinance.com

OTHER DISCLOSURES:

- Your Company has not invited/ accepted any Fixed Deposits under the provisions of Section 73 of the Companies Act, 2013 and the Rules made there under.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- There has been no instances of any revision in the Board's Report or the financial statement, hence disclosure under Section 131(1) of the Act.
- The Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not applicable.
- The Company has not issued any shares to any employee, under any specific scheme, and hence, disclosures under Section 67(3) are not required to be made.
- No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.
- The Company is not required to get its cost records audited for the financial year 2015-16

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY, INDUSTRY STRUCTURE, DEVELOPMENT AND FUTURE OUTLOOK:

During the forthcoming fiscal 2016-17, the Consumer Price index is expected to remain around 5 percent while real Gross Domestic Product (GDP) growth is projected to improve gradually to 7.6 percent in 2016-17. Further, in his speech presenting the Union Budget for 2016-17, the Union Finance Minister announced that the RBI Act is being amended to provide statutory basis for a monetary policy framework and a Monetary Policy Committee (MPC). Committee-based decision making will mark a watershed in the historical evolution of monetary policy in India.

The contribution of NBFCs to the economy has grown in leaps and bounds from 8.4% in 2006 to above 14% in March 2015. In terms of financial assets, NBFCs have recorded a healthy growth—a compound annual growth rate (CAGR) of 19% over the past few years—comprising 13% of the total credit and expected to reach nearly 18% by 2018–19.

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 of Rs. 39,70,241/- and major part of revenue is generated through Interest Income. Further, due to unfavorable conditions prevailing in the market, the Company has incurred a Net Loss of Rs.7,86,153/-. Your directors assure to recover the losses as early as possible.

INTERNAL AUDIT SYSTEM

The Company has 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.

CAUTIONARY STATEMENTS

All statements made in Management and Discussion Analysis have been made in good faith. Many unforeseen 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.

ACKNOWLEDGEMENT:

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

By Order of the Board of Directors
For, **RAJATHFINANCELIMITED,**

Date : 30/05/2015
Place : Rajkot

Sd/-	Sd/-
(HITESH M. BAGDAI)	(BHAVDEEP V. VALA)
MANAGING DIRECTOR	DIRECTOR
(DIN: 00575732)	(DIN: 00153775)

RAJATH FINANCE LIMITED**"ANNEXURE - A" TO DIRECTORS' REPORT OF RAJATH FINANCE LIMITED**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31/03/2016

(I) REGISTRATION AND OTHER DETAILS:

(i)	CIN	L65910GJ1984PLC007486
(ii)	Registration date	13 TH December, 1984
(iii)	Name of the Company	Rajath Finance Limited
(iv)	Category/Sub-category of the Company	Company having share capital
(v)	Address of the Registered Office and Contact Details	<p><u>Address of Registered Office:</u> 208 - 215 Star Plaza, Phulchhab Chowk, Rajkot - 360 001 Gujarat</p> <p><u>Contact Details:</u> Phone: 0281 - 2447800 / 3013344 Fax: 0281 - 2454271 E-Mail Id: investorrelationsrajath@hotmail.com website: www.rajathfinance.com</p>
(vi)	Whether Listed Company? Yes / No	Yes
(vii)	Name, address and contact details of Registrar and Share Transfer Agent.	<p>Link Intime India Private Limited Unit No. 303, 3rd Floor, Shoppers Plaza V Opp. Municipal Market B/h. Shoppers Plaza Off. C G Road, Ahmedabad - 380009 Tele No. 079-26465179 Email: ahmedabad@linkintime.co.in</p>

(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Non - Banking Financial Services	6599	100%

(III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1.			NONE		

(IV) SHAREHOLDING PATTERN: (Equity Share capital Break up as % to total Equity)

(i) Category - wise share holding:

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year			% of total shares	No of Shares held at the end of the year			% of total shares	% Change during the year
		Demat	Physical	Total		Demat	Physical	Total		
A	PROMOTERS	2790555	---	2790555	69.76%	2790555	---	2790555	69.76%	---
(1)	Indian	---	---	---	---	---	---	---	---	---
(a)	Individual/HUF	---	---	---	---	---	---	---	---	---
(b)	Central Govt.	---	---	---	---	---	---	---	---	---
(c)	State Govt.(s)	---	---	---	---	---	---	---	---	---
(d)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(e)	Banks/FIs	---	---	---	---	---	---	---	---	---
(f)	Any Other	2790555	---	2790555	69.76%	2790555	---	2790555	69.76%	---
Sub - Total (A) (1)		---	---	---	---	---	---	---	---	---
(2)	Foreign	---	---	---	---	---	---	---	---	---
(a)	NRI - Individuals	---	---	---	---	---	---	---	---	---
(b)	Other - Individuals	---	---	---	---	---	---	---	---	---
(c)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(d)	Banks/FI	---	---	---	---	---	---	---	---	---
(e)	Any Other	---	---	---	---	---	---	---	---	---
Sub - Total (A) (2)		---	---	---	---	---	---	---	---	---
TOTAL Shareholding of Promoter		2790555	---	2790555	69.76%	2790555	---	2790555	69.76%	---
(A) = (A) (1) + (A) (2)		---	---	---	---	---	---	---	---	---
B	PUBLIC SHAREHOLDING	---	---	---	---	---	---	---	---	---
1	Institutions	---	---	---	---	---	---	---	---	---
(a)	Mutual Funds	---	---	---	---	---	---	---	---	---
(b)	Banks/FI	---	---	---	---	---	---	---	---	---
(c)	Central Govt.	---	---	---	---	---	---	---	---	---
(d)	State Govt.	---	---	---	---	---	---	---	---	---
(e)	Venture Capital Funds	---	---	---	---	---	---	---	---	---
(f)	Insurance Companies	---	---	---	---	---	---	---	---	---
(g)	FIs	---	---	---	---	---	---	---	---	---
(h)	Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
(i)	Others (Specify)	---	---	---	---	---	---	---	---	---
(j)	Sub - Total (B)(1)	---	---	---	---	---	---	---	---	---
2	Non-Institutions	---	---	---	---	---	---	---	---	---
(a)	Bodies Corporate	---	---	---	---	---	---	---	---	---
(i)	Indian	1064557	---	1066057	26.65%	986372	1500	987872	24.70%	-1.95%
(ii)	Overseas	---	---	---	---	---	---	---	---	---

RAJATH FINANCE LIMITED

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 Lakh	14040	117268	131308	3.28%	16953	115368	132321	3.31%	+0.03%
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	11600	---	11600	0.29%	88800	---	88800	2.22%	+1.93%
(c)	Others (specify)									
	Hindu Undivided Family	---	---	---	---	101	---	101	0.0025%	+0.0025%
	Non Resident Indians (Non Repat)	100	---	100	0.0025%	100	---	100	0.0025%	---
	Clearing Member	380	---	380	0.0095%	251	---	251	0.0063%	-0.0032%
	Sub-total(B) (2)	1090677	118768	1209445	30.24%	1092577	116868	1209445	30.24%	---
	Total Public shareholding (B)=B(1)+B(2)	1090677	118768	1209445	30.24%	1090677	118768	1209445	30.24%	---
C	Shares held by Custodian for ADRs and GDRs.	---	---	---	---	---	---	---	---	---
GRAND TOTAL		3881232	118768	4000000	100%	3883132	116868	4000000	100%	---

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Hitesh Mansukhbhai Bagdai	8,96,853	22.42%	---	8,96,853	22.42%	---	---
2	Poonamben Hitesh Bagdai	8,96,851	22.42%	---	8,96,851	22.42%	---	---
3	Bhavdeep Vajubhai Vala	9,96,851	24.92%	---	9,96,851	24.92%	---	---
GRAND TOTAL		27,90,555	69.76%	---	27,90,555	69.76%	---	---

(iii) Change in Promoter's Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	27,90,955	69.76%	27,90,955	69.76%
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	No Change	No Change	No Change	No Change
3	At the end of the year	27,90,955	69.76%	27,90,955	69.76%

(iv) Shareholding Pattern of top ten shareholders:

(Other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2015		Change in Shareholding			Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total shares of Company	Date	Increasing Decreasing in Share holding	Reason	No. of Shares	% of total shares of the Company
1	K. A. INVESTMENTS CONSULTANCY LLP	826012	20.65%	---	---	---	826012	20.65%
2	SAMRUDDHI FINSTOCK PRIVATE LIMITED	160000	4.00%	---	---	---	160000	4.00%
3	HEMANT RATILAL SHAH	0	0.00%	31.12.2015	19000	Transfer	19000	0.48%
				01.01.2016	19000	Transfer	38000	0.95%
				31.03.2016	50800	Transfer	88800	2.22%
				---	---	---	4000	0.10%
4	SHUKLA NATWARLAL B	4000	0.10%	---	---	---	2400	0.06%
5	PIPALIA LALJIBHAI M	2400	0.06%	---	---	---	2001	0.05%
6	PRITI NAVIN NISHAR	2001	0.05%	---	---	---	1400	0.04%
7	MUKUND G SHAH	1400	0.04%	---	---	---	---	---
8	RAJESHKUMAR RAMJIBHAI PATEL	145	0.004%	18.03.2016	958	Transfer	1103	0.03%
9	BABULAL R. PRAJAPATI	1100	0.03%	---	---	---	1100	0.03%
10	KAMLESH KUMAR PAL	0	0.00%	30.09.2015	10	Transfer	10	0.0003%
				09.10.2015	100	Transfer	110	0.003%
				16.10.2015	100	Transfer	210	0.005%
				23.10.2015	102	Transfer	312	0.008%
				30.10.2015	75	Transfer	387	0.01%
				20.11.2015	20	Transfer	407	0.01%
				11.12.2015	50	Transfer	457	0.01%
				08.01.2016	600	Transfer	1057	0.03%
				12.02.2016	43	Transfer	1100	0.03%
11	BHAGVANJIR PATEL	1000	0.03%	---	---	---	1000	0.03%

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
1. Hitesh Manubhai Bagdai – Managing Director:

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2015		Cumulative shareholding during the year 31.03.2016	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	At the beginning of the year	896853	24.42%	896853	24.42%
2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment, transfer, bonus, sweat equity, etc.)	---	---	---	---
3	At the end of the year (or on the date of separation, if separated during the year)	896853	24.42%	896853	24.42%

2. Bhavdeep Vajubhai Vala – Director:

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2015		Cumulative shareholding during the year 31.03.2016	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	At the beginning of the year	996851	24.92%	996851	24.92%
2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment, transfer, bonus, sweat equity, etc.)	---	---	---	---
3	At the end of the year (or on the date of separation, if separated during the year)	996851	24.92%	996851	24.92%

3. Poonam Hitesh Bagdai – Director:

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	At the beginning of the year	896851	22.42%	896851	22.42%
2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment, transfer, bonus, sweat equity, etc.)	No Change	No Change	No Change	No Change
3	At the end of the year (or on the date of separation, if separated during the year)	896851	22.42%	896851	22.42%

(V) **INDEBTEDNESS:**

Indebtedness of the Company interest outstanding / accrued but not due for payment:

	Secured Loans Excluding Deposited	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			---	---
(i) Principal Amount	---	---	---	---
(ii) Interest due but not paid	---	---	---	---
(iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	---	---	---	---
Change in Indebtedness During the financial year			---	---
• Addition	---	---	---	---
• Reduction	---	---	---	---
Net Change	---	---	---	---
Indebtedness at the end of the financial year			---	---
(i) Principal Amount	---	---	---	---
(ii) Interest due but not paid	---	---	---	---
(iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	---	---	---	---

(VI) **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No	Particulars of Remuneration	Hitesh Bagdal (Managing Director)	Total Amount
1.	Gross Salary:	4,50,000	4,50,000
	(a) Salary as per provision contained in section 17(1) of the Income tax Act, 1961	---	---
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	---	---
	© Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---
2.	Stock option	---	---
3.	Sweat equity	---	---
4.	Commission:		
	- As % of profit	---	---
	- Other, specify...	---	---
5.	Others, please specify	4,50,000	4,50,000
Total (A)			

RAJATH FINANCE LIMITED

B. Remuneration to other Directors:

Sr No	Particulars of Remuneration	Bhavdeep Vala Executive Director	Kantilal Khakhar Independent Director	Ketan Desai Independent Director	Janish Ajmera Independent Director	Poonam Bagdai Non-executive & Non-Independent Director
1	Independent Director	---	---	---	---	---
-	Fees for attending Board/ Committee Meeting					
-	Commission					
-	Other, please specify					
--	TOTAL (B) (1)					
2	Other Non – Executive Director	---	---	---	---	---
-	Fees for attending Board/ committee meeting					
-	Commission					
-	Other, please specify					
--	TOTAL (B) (2)					
	TOTAL (B) (2)	---	---	---	---	---
	Total (B) = (1+2)	---	---	---	---	---
	Total Managerial Remuneration	---	---	---	---	---

C. Remuneration to Key Managerial Personnel other than as Managing Director / Manager / Whole-time Director:

Sr No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	• Salary as per provisions contained in section 17 (1) of the Income tax Act, 1961	---	---	---	---
	• Value of perquisites under section 17(2) Income tax Act, 1961	---	---	---	---
	• Profit in lieu of salary under section 17(3) Income tax, 1961	---	---	---	---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission				
	• As % of profit	---	---	---	---
	• Other, specify	---	---	---	---
5.	Other, please, specify	---	---	---	---
	Total	---	---	---	---

(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
B. DIRECTORS					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
C. OTHER OFFICERS IN DEFAULT					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

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

Date : 30/05/2016
Place : Rajkot

(HITESH BAGDAI) **(BHAVDEEP VALA)**
MANAGING DIRECTOR DIRECTOR
(DIN: 00575732) (DIN: 00153775)

RAJATH FINANCE LIMITED

Form AOC 2

"Annexure – B"

To

Directors' Report of Rajath Finance Limited

(Pursuant to Section 134 (3) (h) of the Act read with 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.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/arrangements/ transaction	Salient Features & value	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/arrangements/ transaction	Salient Features & value	Date of approval by the Board	Amount paid as advances, if any
a	Mr. Hitesh M. Bagdai Managing Director	Car Hire Charges	---	4,80,000/-	---	---

Note:

- ⇒ Date of approval by the Board: Not Applicable, since the contracts were entered into in the ordinary course of business and on arm's length basis.
- ⇒ All transactions are reviewed at regular interval and it is generally renewed on year to year basis.

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

Date : 30/05/2016
Place : Rajkot.

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016

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

To,
The Members,
RAJATH FINANCE LIMITED
RAJKOT

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 **RAJATH FINANCE LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended March 31, 2016, 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 other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- 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;
- 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;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**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;
 - 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**);
- VI. Reserve Bank of India Act, 1934, Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Financial Companies Acceptance of Public Deposits. (Reserve Bank) Directions, 1998, Issuance of Non-Convertible Convertible Debentures Debentures (Reserve

RAJATH FINANCE LIMITED

(Reserve Bank) Directions, 2010, Consolidated FDI Policy 2013 issued by DIPP, Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 Employees Provident Fund and Miscellaneous Provisions Act, 1952; and other applicable labour laws.

- VII. Indian Contract Act, 1872;
- VIII. Income Tax Act, 1961 and Indirect Tax laws;
- IX. Indian Stamp Act, 1999;
- X. Negotiable Instruments Act, 1881;

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I, further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The Changes 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.

It has been observed that during the period under audit, the company has not appointed company secretary pursuant to provisions of The Companies Act, 2013.

Adequate notice is given, in general, to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information's and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. 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, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/reconstruction etc.
- (v) Foreign technical collaborations.

Place : Ahmedabad
Date : 05.05.2016

Chopra Nayna Parasmalji
Practising Company Secretary
ACS: 32833 CP No. 12187

CERTIFICATE OF NON APPLICABILITY OF CORPORATE GOVERNANCE REQUIREMENTS

I, CA Parag Bhuptani, Partner of M/s. S A D P & Co., chartered accountants, Rajkot , do hereby certify that

Pursuant to provisions of Regulation 15(2a) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Regulations), and on the basis of latest Audited Accounts of Financial Year 2015-2016 of M/s. Rajath Finance Ltd. ("the Company"), as on 31st March, 2016, paid up share capital of company was Rs. 40000000/- which is below Rs. 10 Crores and net worth of the Company as on 31st March, 2016 was 7,47,92,961/- which is below Rs. 25 cores and according the provision relating to Corporate Governance under regulations are not applicable to the Company.

For S A D P & Co.
Chartered Accountants
Firm Reg. No: 11262W

Parag Bhuptani
(Partner)
Membership No.122330
Place : Rajkot
Date : 30/05/2016

RAJATH FINANCE LIMITED

Independent Auditor's Report

To the Members of M/S RAJATH FINANCE LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of M/S RAJATH FINANCE LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - g) 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.

For S A D P AND CO**Chartered Accountants****FRN: 112625W****Place:-Rajkot****Date: 30/05/2016****PARAG GUNVANTRAI BHUPTANI****(PARTNER)****Membership No. 122330**

RAJATH FINANCE LIMITED

Annexure 'A'

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

We report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c. The title deeds of immovable properties are held in the name of the company.
- ii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iii. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. The Company has not granted any security in terms of Section 185 and 186 of the Companies Act, 2013.
- iv. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- 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, 2013.
- vi.
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- vii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- viii. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- ix. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- x. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xi. The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xii. 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, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiii. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xiv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xv. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

For S A D P AND CO

Chartered Accountants

FRN: 112625W

Place:-Rajkot

Date: 30/05/2016

PARAG GUNVANTRAI BHUPTANI

(PARTNER)

Membership No. 122330

RAJATH FINANCE LIMITED

Balance Sheet as at 31st March 2016

₹ in rupees

	Note No.	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	4,00,00,000	4,00,00,000
Reserves and surplus	3	3,47,92,961	3,55,79,114
Money received against share warrants		Nil	Nil
		7,47,92,961	7,55,79,114
Share application money pending allotment		Nil	Nil
Non-current liabilities			
Long-term borrowings		Nil	Nil
Deferred tax liabilities (Net)	4	5,73,757	4,23,432
Other long term liabilities		Nil	Nil
Long-term provisions	5	2,06,366	8,97,828
		7,80,123	13,21,260
Current liabilities			
Short-term borrowings		Nil	Nil
Trade payables	6	Nil	Nil
(A) Micro enterprises and small enterprises		Nil	Nil
(B) Others		58,653	3,558
Other current liabilities	7	630	675
Short-term provisions	5	2,41,640	88,990
		3,00,923	93,223
TOTAL		7,58,74,007	7,69,93,597
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		25,55,730	26,61,239
Intangible assets		Nil	Nil
Capital work-in-Progress		Nil	Nil
Intangible assets under development		Nil	Nil
Non-current investments	9	3,10,763	3,10,763
Deferred tax assets (net)	4	Nil	Nil
Long-term loans and advances	10	3,89,284	15,99,413
Other non-current assets		Nil	Nil
		32,55,777	45,71,415
Current assets			
Current investments		Nil	Nil
Inventories	11	2,09,430	2,09,430
Cash and cash equivalents	12	35,46,258	1,34,06,635
Short-term loans and advances	10	6,88,62,542	5,88,06,117
Other current assets		Nil	Nil
		7,26,18,230	7,24,22,182
TOTAL		7,58,74,007	7,69,93,597

For S A D P AND CO
Chartered Accountants
(FRN: 112625W)

For and on behalf of the Board of Directors

PARAG GUNVANTRAI
BHUPANI
PARTNER
Membership No.: 122330
Place: Rajkot
Date: 30/05/2016

Bhavdeep Vala
Director
DIN: 00153775

Hitesh Bagdai
Managing Director
DIN: 00575732

Statement of Profit and loss for the year ended 31st March 2016

₹ in rupees

	Note No.	31st March 2016	31st March 2015
Revenue			
Revenue from operations	13	39,69,741	40,31,266
Less: Excise duty		Nil	Nil
Net Sales		39,69,741	40,31,266
Other income	14	500	30,202
Total revenue		39,70,241	40,61,468
Expenses			
Changes in inventories	15	Nil	Nil
Employee benefit expenses	16	4,32,574	4,08,225
Finance costs		Nil	Nil
Depreciation and amortization expenses	17	1,05,509	2,17,702
Other expenses	18	26,31,150	40,33,146
Total expenses		31,69,233	46,59,073
Profit before exceptional, extraordinary and prior period items and tax		8,01,008	(5,97,605)
Exceptional items		Nil	Nil
Profit before extraordinary and prior period items and tax		8,01,008	(5,97,605)
Extraordinary items		Nil	Nil
Prior period item		Nil	Nil
Profit before tax		8,01,008	(5,97,605)
Tax expenses			
Current tax	19	1,52,632	11,141
Deferred tax		1,50,325	4,21,788
Excess/short provision relating earlier year tax	20	12,84,204	Nil
Profit(Loss) for the period		(7,86,153)	(10,30,534)
Earning per share			
Basic	21		
Before extraordinary items		(0.20)	(0.26)
After extraordinary Adjustment		(0.20)	(0.26)
Diluted			
Before extraordinary items		Nil	Nil
After extraordinary Adjustment		Nil	Nil

For S A D P AND CO
Chartered Accountants
(FRN: 112625W)

For and on behalf of the Board of Directors

PARAG
GUNVANTRAI
BHUPANI
PARTNER
Membership No.:
122330
Place: Rajkot
Date: 30/05/2016

Bhavdeep Vala
Director
DIN: 00153775

Hitesh Bagdai
Managing Director
DIN: 00575732

RAJATH FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

₹ in rupees

	PARTICULARS	31st March 2016	31st March 2015
A.	Cash Flow From Operating Activities		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	8,01,008	(5,97,605)
	Adjustments for non Cash/ Non trade items:		
	Depreciation & Amortization Expenses	1,05,509	2,17,702
	Interest received	Nil	(30,202)
	Other Inflows / (Outflows) of cash	(6,91,462)	7,23,233
	Operating profits before Working Capital Changes	2,15,055	3,13,128
	Adjusted For:		
	Increase / (Decrease) in trade payables	55,095	(3,00,825)
	Increase / (Decrease) in other current liabilities	11,114	(1,00,133)
	(Increase) / Decrease in Short Term Loans & Advances	(1,00,98,185)	1,11,23,042
	Cash generated from Operations	(98,16,921)	1,10,35,212
	Income Tax (Paid) / Refund	(43,456)	3,30,120
	Net Cash flow from Operating Activities(A)	(98,60,377)	1,13,65,332
B.	Cash Flow From Investing Activities		
	Purchase of tangible assets	Nil	(34,800)
	Interest Received	Nil	30,202
	Net Cash used in Investing Activities(B)	Nil	(4,598)
C.	Cash Flow From Financing Activities		
	Other Inflows / (Outflows) of cash	Nil	(11,141)
	Net Cash used in Financing Activities(C)	Nil	(11,141)
D.	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	(98,60,377)	1,13,49,593
E.	Cash & Cash Equivalents at Beginning of period	1,34,06,635	20,57,042
F.	Cash & Cash Equivalents at End of period	35,46,258	1,34,06,635
G.	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	(98,60,377)	1,13,49,593

For S A D P AND CO
Chartered Accountants
(FRN: 112625W)

For and on behalf of the Board of Directors

PARAG
GUNVANTRAI
BHUPANI
PARTNER
Membership No.:
122330
Place: Rajkot
Date: 30/05/2016

Bhavdeep Vala
Director
DIN: 00153775

Hitesh Bagdai
Managing Director
DIN: 00575732

Note:

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

Notes to Financial statements for the year ended 31st March 2016

Note No. 1 Significant Accounting Policies:

1. General Information

The company is a registered non banking finance company engaged in the business of providing finance. The company is registered with the Reserve Bank of India as a Non Banking Finance Company (NBFC).

2. Statement of significant accounting policies

Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized

All assets and liabilities have been classified as current or noncurrent as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and services and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/noncurrent classification of its assets and liabilities.

System of Accounting

- i. The financial statements have prepared under historical cost convention on an accrual basis and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act 1956.
- ii. The company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties.
- iii. The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

Fixed Assets and Depreciation

Fixed Assets are stated at historical cost less accumulated depreciation thereon. Depreciation has been provided as per straight line method and as per its useful life prescribed under Schedule II of the Companies Act, 2013.

Investments

All investments are for long term holding and are valued at cost.

Inventories

Inventories are stated at cost.

Income From

(i) Financing Activity

Interest income is recognized as income on accrual basis with reference to the terms of contractual commitments.

RAJATH FINANCE LIMITED

(ii) Investment

Dividend is accrued when the right to receive is established i.e. when declared by the investee company.

(iii) Other Income

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

Receivable under financing activity

- (i) Receivables under financing activity represent principal and accrued interest outstanding at the close of the year but net of amount written off.
- (ii) The company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet NPA as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the applicable Reserve Bank of India (RBI) Regulations/Guidelines.
- (iii) A General provision as required by RBI Regulations, is also made by the Company on the standard assets outstanding which is disclosed under 'long term provisions' in the financial statements.

Taxation

Provision for taxation comprises of Current Tax, and Deferred Tax. Current Tax provision has been made on the basis of reliefs and deductions available under the Income Tax Act, 1961. Deferred Tax is recognized for all the timing differences, subject to consideration of prudence, applying the tax rates that have been substantially enacted at the Balance Sheet date.

Provisions

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

Note No. 2 Share Capital

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
Authorized :		
7500000 (31/03/2015:7500000) Equity shares of Rs. 10.00/- par value	7,50,00,000	7,50,00,000
Issued :		
4000000 (31/03/2015:4000000) Equity shares of Rs. 10.00/- par value	4,00,00,000	4,00,00,000
Subscribed and paid-up :		
4000000 (31/03/2015:4000000) Equity shares of Rs. 10.00/- par value	4,00,00,000	4,00,00,000
Total	4,00,00,000	4,00,00,000

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

Equity shares

₹ in rupees

	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Issued during the Period	Nil	Nil	Nil	Nil
Redeemed or bought back during the period	Nil	Nil	Nil	Nil
Outstanding at end of the period	40,00,000	4,00,00,000	40,00,000	4,00,00,000

Right, Preferences and Restriction attached to shares

Equity shares

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. 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.

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

Type of Share	Name of Shareholders	As at 31st March 2016		As at 31st March 2015	
Type of Share	Name of Shareholders	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00]	Hitesh Bagdai	8,96,853	22.42	8,96,853	22.42
Equity [NV: 10.00]	Poonam Bagdai	8,96,851	22.42	8,96,851	22.42
Equity [NV: 10.00]	Bhavdeep Vala	9,96,851	24.92	9,96,851	24.92
Equity [NV: 10.00]	Leena Investments Consultancy LLP	Nil		8,26,012	20.65
Equity [NV: 10.00]	K A Investments Consultancy LLP	8,26,012	20.65	Nil	
	Total :	36,16,567	90.41	36,16,567	90.41

Note No. 3 Reserves and surplus

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
General reserve		
Opening Balance	24,32,879	24,32,879
Add: Addition during the year	Nil	Nil
Less : Deletion during the year	Nil	Nil
Closing Balance	24,32,879	24,32,879
Special reserve		
Opening Balance	50,16,603	50,16,603
Add: Addition during the year	Nil	Nil
Less : Deletion during the year	Nil	Nil
Closing Balance	50,16,603	50,16,603
Surplus		
Opening Balance	(19,26,868)	(8,96,273)
Add: Addition during the year	Nil	Nil
Less: Loss for the year	(7,86,153)	(10,30,534)
Less: Accelerated dep. as per Companies Act, 2013	Nil	(61)
Closing Balance	(27,13,021)	(19,26,868)
Capital reserve		
Opening Balance	3,00,56,500	3,00,56,500
Add: Addition during the year	Nil	Nil
Less : Deletion during the year	Nil	Nil
Closing Balance	3,00,56,500	3,00,56,500
Balance carried to balance sheet	3,47,92,961	3,55,79,114

Note No. 4 Deferred Tax

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
Deferred tax liability		
Deferred Tax Liability Depreciation	6,37,524	6,46,911
Gross deferred tax liability	6,37,524	6,46,911
Deferred tax assets		
Deferred Tax Asset on NPA Provision	63,767	2,23,479
Gross deferred tax asset	63,767	2,23,479
Net deferred tax assets	Nil	Nil
Net deferred tax liability	5,73,757	4,23,432

RAJATH FINANCE LIMITED

Note No. 5 Provisions

₹ in rupees

Particulars	As at 31st March 2016			As at 31st March 2015		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Provision for leave encashment	Nil	12,634	12,634	Nil	13,115	13,115
Provision for Bonus	Nil	31,280	31,280	Nil	20,450	20,450
	Nil	43,914	43,914	Nil	33,565	33,565
Other provisions						
Provision Against Standard Assets	2,06,366	Nil	2,06,366	1,44,905	Nil	1,44,905
Provision for Non Performing Assets	Nil	Nil	Nil	7,52,923	Nil	7,52,923
Income Tax Provisions	Nil	1,52,632	1,52,632	Nil	11,141	11,141
Audit Fee Provisions	Nil	43,700	43,700	Nil	43,320	43,320
Provision for Expenses	Nil	1,394	1,394	Nil	964	964
	2,06,366	1,97,726	4,04,092	8,97,828	55,425	9,53,253
Total	2,06,366	2,41,640	4,48,006	8,97,828	88,990	9,86,818

Note No. 6 Trade payables

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
(B) Others		
Creditors for Expenses	58,653	3,558
	58,653	3,558
Total	58,653	3,558

Note No. 7 Other current liabilities

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
Others payables		
Professional Tax Payable	280	280
TDS Payable	350	395
	630	675
Total	630	675

₹ in rupees

Note No. 8 Fixed Assets Chart as at 31st March 2016

Assets	Useful Life (In Years)	Gross Block						Accumulated Depreciation/ Amortisation				Net Block	
		Balance as at 1st April 2015	Additions during the year	Revaluation increase (decrease)	Deletion during the year	Increase (Decrease) through net exchange difference	Other Adjustment (Gross Block)	Balance as at 31st March 2016	Balance as at 1st April 2015	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2016	Balance as at 31st March 2015
Tangible assets													
A Own Assets													
Premises	60.00	34,94,613	Nil	Nil	Nil	Nil	Nil	34,94,613	9,14,853	58,762	Nil	9,73,615	25,79,760
Office Equipments	5.00	1,71,444	Nil	Nil	Nil	Nil	Nil	1,71,444	1,71,444	Nil	Nil	1,71,444	Nil
Air Conditioners	5.00	39,131	Nil	Nil	Nil	Nil	Nil	39,131	39,131	Nil	Nil	39,131	Nil
Furniture and Fixtures	10.00	21,73,163	Nil	Nil	Nil	Nil	Nil	21,73,163	21,73,163	Nil	Nil	21,73,163	Nil
Computers	3.00	8,35,256	Nil	Nil	Nil	Nil	Nil	8,35,256	7,53,777	46,747	Nil	8,00,524	81,479
Total (A)		67,13,607	Nil	Nil	Nil	Nil	Nil	67,13,607	40,52,368	1,05,509	Nil	41,57,877	26,61,239
P.Y Total		66,78,807	34,800	Nil	Nil	Nil	Nil	67,13,607	39,44,695	1,07,612	Nil	40,52,368	27,34,112

RAJATH FINANCE LIMITED

Note No. 9 Non-current investments

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
Trade Investment(Valued at cost unless stated otherwise)		
Investments in equity Instruments (Quoted)		
In Others		
Equity securities long-term quoted trade (At Cost)	3,09,263	3,09,263
	3,09,263	3,09,263
Non-Trade Investment(Valued at cost unless stated otherwise)		
Investments in equity Instruments (Unquoted)		
In Others		
Equity securities long-term unquoted non-trade (At cost)	1,500	1,500
	1,500	1,500
Gross Investment	3,10,763	3,10,763
Net Investment	3,10,763	3,10,763
Aggregate amount of quoted investments (Market Value:18,28,118) (2015:23,98,502)	3,09,263	3,09,263
Aggregate amount of unquoted investments	1,500	1,500

The Company had purchased 23,300 Nos. of UTI Master Gain. The same was misappropriated in transit. The Company had filed suit before the Hon'ble Civil Court, Rajkot. The same was disposed in favor of the Company and an execution application has also been filed, which is pending for disposal before the Hon'ble Civil Court, Rajkot.

Note No. 10 Loans and advances

₹ in rupees

Particulars	As at 31st March 2016		As at 31st March 2015	
	Long-term	Short-term	Long-term	Short-term
Security Deposit				
Unsecured, considered good	1,95,069	Nil	1,95,069	Nil
	1,95,069	Nil	1,95,069	Nil
Other loans and advances				
Amount Receivable from Income Tax Departments	1,94,215	73,717	14,04,344	91,380
Receivables under Financing Activities	Nil	6,87,88,825	Nil	5,87,14,737
	1,94,215	6,88,62,542	14,04,344	5,88,06,117
Total	3,89,284	6,88,62,542	15,99,413	5,88,06,117

Note No. 11 Inventories

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
(Valued at cost or NRV unless otherwise stated)		
Traded goods(Basis of valuation: At cost)	2,09,430	2,09,430
Total	2,09,430	2,09,430

Note No. 12 Cash and cash equivalents

₹ in rupees

Particulars	As at 31st March 2016	As at 31st March 2015
Balance with banks		
Balance scheduled banks current account	28,01,669	1,25,77,020
Total	28,01,669	1,25,77,020
Cash in hand		
Cash in hand	7,44,589	8,29,615
Total	7,44,589	8,29,615
Total	35,46,258	1,34,06,635

Note No. 13 Revenue from operations

₹ in rupees

Particulars	31st March 2016	31st March 2015
Interest Income	39,64,831	40,26,612
Other financial services		
Dividend	4,910	4,654
	4,910	4,654
Net revenue from operations	39,69,741	40,31,266

Note No. 14 Other income

₹ in rupees

Particulars	31st March 2016	31st March 2015
Interest Income		
Interest on income tax refund	Nil	30,202
	Nil	30,202
Other non-operating income		
Miscellaneous Income	500	Nil
	500	Nil
Total	500	30,202

Note No. 15 Changes in inventories

₹ in rupees

Particulars	31st March 2016	31st March 2015
Inventory at the end of the year		
Finished Goods	2,09,430	2,09,430
	2,09,430	2,09,430
Inventory at the beginning of the year		
Finished Goods	2,09,430	2,09,430
	2,09,430	2,09,430

Note No. 16 Employee benefit expenses

₹ in rupees

Particulars	31st March 2016	31st March 2015
Salaries and Wages	3,88,994	3,85,475
Staff welfare Expenses		
Bonus to Employees	43,580	22,750
	43,580	22,750
Total	4,32,574	4,08,225

Note No. 17 Depreciation and amortization expenses

₹ in rupees

Particulars	31st March 2016	31st March 2015
Depreciation on tangible assets	1,05,509	1,07,612
Other write-down on assets	Nil	1,10,090
Total	1,05,509	2,17,702

RAJATH FINANCE LIMITED

Note No. 18 Other expenses

₹ in rupees

Particulars	31st March 2016	31st March 2015
Advertising expenses	3,45,822	72,926
Annual Custodial Fee	20,541	13,551
Audit fees	43,700	43,320
Bank charges	283	672
Repairs and maintenance expenses	5,850	52,053
Travelling Expenses	3,65,389	4,21,905
D-Mat Charges	1,868	562
Donations	15,000	2,15,000
Electricity expenses	35,108	30,965
TDS Late Payment Interest	75	258
Information technology expenses	7,605	7,485
Legal and professional expenses	2,02,160	74,498
Listing Fee	2,24,720	1,12,360
Office Exp.	14,024	14,225
Periodicals and Newspapers	1,431	1,380
Miscellaneous expenditure	1,000	1,447
Postage and Courier	8,720	10,000
Printing and stationery	36,532	25,838
Rates and taxes	Nil	58,760
Provision for bad and doubtful debts advances	(7,52,923)	7,23,233
Bad debts written off	10,51,809	12,11,424
Director's remuneration	4,50,000	4,50,000
Car Hire Charge	4,80,000	4,80,000
Telephone expenses	10,975	11,284
Provision against standard assets	61,461	Nil
Total	26,31,150	40,33,146

Note No. 19 Current tax

₹ in rupees

Particulars	31st March 2016	31st March 2015
Current tax pertaining to current year	1,52,632	11,141
Total	1,52,632	11,141

Note No. 20 Excess/short provision relating earlier year tax

₹ in rupees

Particulars	31st March 2016	31st March 2015
Current tax pertaining to previous years	12,84,204	Nil
Total	12,84,204	Nil

Note No. 21 Earning Per Share

₹ in rupees

Particulars	Before Extraordinary items		After Extraordinary items	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Basic				
Profit after tax (A)	(7,86,153)	(10,30,534)	(7,86,153)	(10,30,534)
Weighted average number of shares outstanding (B)	40,00,000	40,00,000	40,00,000	40,00,000
Basic EPS (A / B)	(0.20)	(0.26)	(0.20)	(0.26)
Face value per share	Nil	10	Nil	10

₹ in rupees

Note No. 22 Payment to Auditors

Particulars	31st March 2016	31st March 2015
As Auditors (including service tax)	42,697	42,697
In any other capacity	Nil	Nil
Total	42,697	42,697

Note No. 23 Disclosures of transactions with related parties as required by Accounting Standard 18

Name of related party and Nature of Relationship	Nature of transaction	Transaction Value (Rupees in Thousand)
Hitesh M Bagdai (Managing Director)	Remuneration	450.00
	Car Hire Charges	480.00

Note No. 24

Disclosures required by various Reserve Bank of India Regulations, to the extent applicable, pertaining to Non Banking Financial Companies are set out in Annexure to and forming an integral part of these financial statements

Schedule of the Balance sheet of a non-deposit taking non-banking financial company for the year ended 31st March, 2016

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) companies Prudential Norms (reserve Bank) Directions, 2007)

(Rs. In lakhs)

Particulars			
Liabilities side:			
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debentures: Secured	Nil	Nil
	Unsecured	Nil	Nil
	(other than falling within the Meaning of public deposits*)	Nil	Nil
	(b) Differed Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter corporate loans and borrowing	Nil	Nil
	(e) Commercial paper	Nil	Nil
	(f) Other Loans(Specify nature)	Nil	Nil
	* Please see Note 1 below		
Asset side :			
		Amount outstanding	
(2)	Break up of loans and advances including bills receivables (Other than those included in (4) below):		
	(a) Secured	Nil	
	(b) Unsecured	687.89	
(3)	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	Nil	
	(b) Operating lease	Nil	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Nil	
	(b) Repossessed assets	Nil	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above	Nil	

(4)	Break up of investments:			
	<u>Current investments:</u>			
	<u>1. Quoted</u>			
	(i) Shares : (a) Equity		Nil	
	(b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government securities		Nil	
	(v) Others (Please specify)		Nil	
	<u>2.Unquoted :</u>			
	(i) Shares : (a) Equity		Nil	
	(b) Preference		Nil	
	(ii) Debentures and Bonds	Nil		
	(iii) Units of mutual funds	Nil		
	(iv) Government Securities	Nil		
	(v) Others(Please specify)	Nil		
	<u>Long term investments:</u>			
	<u>1. Quoted</u>			
	(i) Shares : (a) Equity		3.09	
	(b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government securities		Nil	
	(v) Others(Please specify)		Nil	
	<u>2.Unquoted :</u>			
	(i) Shares : (a) Equity		0.02	
	(b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government Securities		Nil	
	(v) Others(Please specify)		Nil	
(5)	Borrowing group wise classification of assets financed as in (2) and (3) above:			
	Please see note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1.Related parties**			
	(a) Subsidiaries	Nil	0.00	0.00
	(b) Companies in the same			
	group	Nil	0.00	0.00
	© Other related parties	Nil	0.00	0.00
	2.Other than related parties	Nil	687.89	687.89
	Total	Nil	687.89	687.89

RAJATH FINANCE LIMITED

(6)	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Category	Market value/ Break up/ fair value/ NAV	Book value (net of provisions)
	1.Related parties**		
	(a) Subsidiaries	0	0
	(b) Companies in the same group	Nil	Nil
	© Other related parties	Nil	Nil
	2.Other than related parties	18.28	3.11
	Total	18.28	3.11

** As per Accounting Standard of ICAI (Please see Note 3)

(7) Other information

	Particulars	Amount
(i)	Gross Non performing assets	Nil
	(a) Related parties	Nil
	(b) Other than related parties	Nil
(ii)	Net non performing assets	Nil
	(a) Related parties	Nil
	(b) Other than related parties	Nil
(iii)	Assets acquired in satisfaction of debt	Nil

Notes :

- As defined in paragraph 2(1)(xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisions norms shall be applicable as prescribed in non banking financial (Non deposit accepting or holding) companies prudential norms (Reserve Bank) Directions, 2007.
- All accounting standards and guidance note issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

For S A D P & Co.
Firm Reg. No. 112625W
Chartered Accountants

P.G. Bhuptani
(Partner) M.No.:
122330

Place: Rajkot
Date : 30/05/2016.

RAJTH FINANCE LIMITED
 CIN:L65910GJ1984PLC007486
 Resisted Office : 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001
 Website www.rajathfinance.com*Tel : (0281)2447800, Fax No(0281)2454271
 E-mail :rajathfin@hotmail.com, investorrelations-rajath@hotmail.com

ATTENDANCE SLIP
31ST ANNUAL GENERAL MEETING ON 29TH SEPTEMBER, 2016.

Registered Folio/DP ID & Client ID	
Name and Address of the Shareholder(s)	
Joint Holder(1)	
Joint Holder(2)	
No. of Shares	
I/we hereby record my/our presence at the 31 st Annual General Meeting of the Company being held on Friday, 29 th September, 2016 at 03.00PM at Registered office of the Company at 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001	
_____ Member's /Proxy's name in Block Letters	_____ Member's /Proxy's Signature
Note: Please complete the Name, Email Address, Contact Nos. sign this attendance slip and hand it over at the attendance Verifications Counter at the ENTRANCE OF THE MEETING.	

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ELECTRONIC VOTING PARTICULARS

Even(E-voting Event Number)	USER ID	SEQUENCE NO./PASSWORD
Note: Please read the instructions printer under The Instructions to Members for E-Voting in the Notice herewith. The Voting period start from 9.00 AM on, September 26, 2016 and ends at 5.00 PM September 28, 2016. The voting Module shall be disabled by NSDL for voting thereafter.		