



# **RAJRADHE FINANCE LIMITED**

**CIN: U67120GJ1985PLC007576**

**Financial Year 2021-2022**

**38<sup>th</sup> Annual General Meeting**



# RAJ RADHE FINANCE LIMITED

Regd off: - 47, Shyamal Row House 3/B, Nr. Shyamal Cross Roads, Ahmedabad – 380 015.  
CIN :- U67120GJ1985PLC007576; Email Id – [info@rrfl.in](mailto:info@rrfl.in); (O) :- 079 484 50505

## DIRECTOR'S REPORT

To,

The Members,

The Directors of the Company hereby present their Report on the business and operations for the year ended March 31<sup>st</sup>, 2022.

### FINANCIAL PERFORMANCE:

| Particulars                             | (Amt. in ₹)         |                    |
|-----------------------------------------|---------------------|--------------------|
|                                         | F.Y. 2021-22        | F.Y. 2020-21       |
| Revenue from Operations                 | 11,40,55,280        | 2,69,57,125        |
| Other Income                            | 5,34,390            | 1,76,86,285        |
| <b>Total Income received (A)</b>        | <b>11,45,89,670</b> | <b>4,46,43,410</b> |
| Direct expenses                         | 4,18,79,500         | 2,56,03,160        |
| Employee Benefit Expenses               | 42,55,720           | 36,57,550          |
| Finance Costs                           | 1,95,770            | 14,109             |
| Depreciation and Amortization expenses  | 19,15,790           | 4,42,951           |
| Other Expenses                          | 64,89,430           | 46,94,597          |
| <b>Total Expenses (B)</b>               | <b>5,47,36,210</b>  | <b>3,44,10,367</b> |
| <b>Profit / (Loss) before Tax (A-B)</b> | <b>5,98,53,460</b>  | <b>1,02,31,043</b> |
| Less: Current Tax                       | -                   | -2,61,459          |
| Deferred Tax                            | 1,00,00,000         | -251               |
| <b>Profit / (Loss) after Tax</b>        | <b>4,98,53,460</b>  | <b>1,04,92,753</b> |

### REVIEW OF PERFORMANCE:

The Company has amplified its business on a great scale during the year under review. The following are the various performance review points that the Directors wish to put forward:

- ✂ The Company's Total Income has shown an increase as compared to the previous Financial Year 2020-2021 resulting in the Total Income increase by 256.68%, which is numerically denoted as ₹11,45,89,670.
- ✂ The Company has also experienced a change in the amount of Total Expenses over a period of 1 Financial Year, resulting in the amount of expenses to increase by ₹ 2,03,25,843 i.e. by 59% as compared to previous Financial Year.

Other comparisons and performance evaluations are better highlighted in the 'Management Analysis and Discussion Report' forming part of this report as **Annexure 1**.

The Board is planning to further expand the operations of the Company in the upcoming years. The Board assures to show even better results with the passing time.

### DIVIDEND:

Your Board regrets to declare any dividend on the 6% Non-Cumulative Redeemable Preference Shares or the Equity Shares in the current Financial Year 2021-2022. The Board is currently in the midst of deliberations for the declaration of the Dividend any time soon in the Financial Year 2022-2023.

### TRANSFER TO RESERVES:

Pursuant to the provisions of Sec 451C of the Reserve Bank of India Act, 1934 and all the other provisions applicable to the Company, every non-banking financial company shall create a reserve fund, and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account

**TRANSFER TO RESERVES:**

Pursuant to the provisions of Sec 45IC of the Reserve Bank of India Act, 1934 and all the other provisions applicable to the Company, every non-banking financial company shall create a reserve fund, and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. Complying with the same, the Company has transferred ₹99,70,700/- to the Reserve Fund, amounting to a Total Balance of ₹2,94,45,300.

**CHANGE IN THE NATURE OF THE BUSINESS:**

There is no change in the nature of the business activities carried out by the Company, in the Financial Year under review i.e. Financial Year 2021-2022.

**THE WEB ADDRESS, IF ANY, WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED**

The Annual Return referred to in Subsection (3) of Section 92 has been placed on Company's website <https://rrfi.in>.

**CHANGES TO SHARE CAPITAL:**

In the Financial Year 2021-2022, the Authorised Share Capital of the Company stood at ₹ 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten Only) each and ₹ 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Preference Shares of ₹ 10/- (Rupees Ten Only) each, which resulted in the Total Authorised Share Capital to stand at ₹ 20,00,00,000/- (Rupees Twenty Crores Only).

Further, During the year under review, the Company had allotted 12,00,000 (Twelve Lakh) equity shares of ₹10 each issued at a price of ₹200 (including ₹190 per share as premium and a face value of ₹10 per share) as on March 17<sup>th</sup>, 2022, on Rights basis by offering Two new equity shares for every 1 equity share held by the existing Shareholders.

The Shareholding now stands as follows for Financial Year 2021-2022 as on March 31<sup>st</sup>, 2022:

| Existing Shareholding                                                                                                                  | Previous Shareholding                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Authorised Share Capital:</b>                                                                                                       | <b>Authorised Share Capital:</b>                                                                                                       |
| ₹ 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of ₹ 10/- each                                          | ₹ 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of ₹ 10/- each                                          |
| ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 Preference Shares of ₹ 10/- each                                | ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 Preference Shares of ₹ 10/- each                                |
| <b>Issued and Paid-up Capital:</b>                                                                                                     | <b>Issued and Paid-up Capital:</b>                                                                                                     |
| ₹ 1,80,00,000/- (Rupees Sixty Lakhs Only) divided into 18,00,000 Equity Shares of ₹ 10/- each                                          | ₹ 60,00,000/- (Rupees Sixty Lakhs Only) divided into 6,00,000 Equity Shares of ₹ 10/- each                                             |
| ₹ 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 1,40,00,000 6% Non- Cumulative Redeemable Preference Shares of ₹ 10/- each | ₹ 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 1,40,00,000 6% Non- Cumulative Redeemable Preference Shares of ₹ 10/- each |

**PUBLIC DEPOSITS:**

The Company is a non-deposit taking NBFC registered under the Section 45IA of the Reserve Bank of India Act, 1935 and thus shall not accept any Deposits in any form whatsoever. Thus, there were No deposits, which were claimed and remained unpaid by the Company as on March 31<sup>st</sup>, 2022. Moreover, the provisions of Sec 73 of the Companies Act, 2013 is not applicable to your Company.

**BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:****A. Board of Directors**

At the end of the Financial Year 2021-2022, the Board of the Company comprises of Three Directors, out of which one is a Promoter Director and two are non-promoter Directors. The Board of Directors comprised of following Directors as on the date of this Report is as follows:

| Name of Director               | Designation                  | Date of Appointment at current term | Date of Appointment             |
|--------------------------------|------------------------------|-------------------------------------|---------------------------------|
| Mr. Deval R Shah               | Managing Director (Promoter) | 30 <sup>th</sup> April, 2021        | 15 <sup>th</sup> February, 2019 |
| Mr. Prakashkumar C Shah*       | Executive Director(Promoter) | 17 <sup>th</sup> January, 1985      | 17 <sup>th</sup> January, 1985  |
| Mr. Jayesh M Koshti            | Executive Director           | 31 <sup>st</sup> December, 2020     | 17 <sup>th</sup> October, 2020  |
| Mr. Bharat K Shah <sup>†</sup> | Non-Executive Director       | 01 <sup>st</sup> April, 2021        | 01 <sup>st</sup> April, 2021    |

\*Mr. Prakashkumar C Shah tendered his resignation as on 13<sup>th</sup> April, 2021 from the Directorship of the Company.

† Mr. Bharat Kantilal Shah was appointed as a Non-Executive Director of the Company.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

**B. Changes in the Directorship and Key Managerial Personnel**

The Following were the Changes in the Directorship and the Key Managerial Personnel of the Company during the Financial year under review:

- Resignation of Mr. Prakashkumar Shah (holding DIN 00070794) from the Directorship of the Company w.e.f. April 13<sup>th</sup>, 2022.

There were a few changes that took place in the Financial Year 2021-2022 in the Key Managerial Personnel. They are:

1. Appointment of Ms. Shivani Pathak, Company Secretary holding Membership Number A62792 as the Company Secretary & Compliance Officer of the Company as on 01<sup>st</sup> April, 2021.
2. Appointment of Mr. Sanjeev Punetha as the Chief Legal Officer of the Company w.e.f. July 27<sup>th</sup>, 2021.
3. Appointment of Mr. Rohitkumar Chimanlal Shah as the Chief Financial Officer of the Company w.e.f. September 28<sup>th</sup>, 2021.

**C. Board Meetings**

Pursuant to provisions of Sec 173 of the Companies Act, 2013, Every Company shall hold Board Meetings for at least Four times in One Financial Year such that the gap between any two Meetings shall not exceed 120 days.

The Board Meetings of your Company are generally held at the Registered Office of the Company. During the Financial Year under review, the Board of Directors of the Company met 9 (Nine) times viz., April 01<sup>st</sup>, 2021, April 30<sup>th</sup>, 2021, June 02<sup>nd</sup>, 2021, July 27<sup>th</sup>, 2021, August 19<sup>th</sup>, 2021, September 28<sup>th</sup>, 2021, December 14<sup>th</sup>, 2021, February 15<sup>th</sup>, 2022 and March 17<sup>th</sup>, 2022.

All the Directors of the Company required to be present at the respective Board Meetings, remained present in all such meetings. In respect of above meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

**D. Director liable to retire by Rotation**

Pursuant to provisions of Section 152 of the Companies Act, 2013, not less than two-thirds of the total number of Directors of the Company, are liable to retire by rotation, out of which not less than one-third number of directors shall retire by rotation.

In pursuance of the same, Mr. Jayesh Madanlal Koshti (holding DIN 08923382), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for reappointment.

#### **E. Director's Responsibility Statement**

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) In preparation of annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) The Directors had 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 or loss of the Company for that year;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts for the year ended 31<sup>st</sup> March, 2022 on going concern basis.
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **F. Declaration by Independent directors:**

The Company has been searching for a suitable Independent Director in the Data Bank as per the Rule 4 and 5 of Companies (Appointment and Qualification of Directors) Rules, 2014, but as we have not been able to find a suitable candidate, we have not yet appointed an Independent Director and also constituted the relevant Committees. However, the board is continuously making efforts to appoint the required independent directors on the board of the company as soon as possible.

As per the requirements of the RBI and Companies Act, 2013, all the necessary Disclosures, filing, procedures and acts required to validate the above-mentioned Changes have been done by the Company and its Management.

#### **G. Audit Committee and Nomination and Remuneration Committee**

During the year the Company has been searching for a qualified Independent Director in the Data Bank as per the Rule 4 and 5 of Companies (Appointment and Qualification of Directors) Rules, 2014, but as we have not been able to find a suitable candidate, we have not yet appointed an Independent Director and also constituted the relevant Committees. However, the board is continuously making efforts to appoint the required independent directors on the board of the company and to constitute the required committees as soon as possible.

#### **H. Vigil Mechanism**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Managing Director, in exceptional cases. The functioning of vigil mechanism is reviewed by the Board of Directors from time to time. None of the Whistle blowers has been denied access to the Board.

#### **RISK MANAGEMENT POLICY:**

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures. The Board periodically reviews the risk to ensure that executive management controls risk by means of a properly designed framework.

#### **CORPORATE SOCIAL RESPONSIBILITY**

During the year under review, the Company was not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility. However, as the Company's Net Profit has exceeded ₹5 Crore in the current Financial Year 2021-2022. The company will constitute the required committee and will spend the required amount as corporate social responsibility in the current financial year.

#### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The provisions regarding constitution of Internal Complaint Committee under the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013 is not applicable to the Company, Hence, the Company has not constituted such committee but Your Company is committed to provide a safe and conducive work environment to its employees.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report has been voluntarily given by the Company Management for the better understanding and Discussion over the business activities. The same has been annexed hereto as Annexure 1.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has complied with the Provision of section 186 of the Companies Act, 2013 in respect of loans given, guarantee provided and investments made if any. The Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

The Company has entered into various transactions with the related parties falling under the purview of the provisions of Sec 188 of Companies Act, 2013. The Disclosures of the same are mentioned in the Annexure to this report as Annexure 2.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year of the Company and the date of this report.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

As on 31.03.2022 The Company do not have any subsidiary, Joint Ventures and Associate Companies.

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

##### **⌘ Conservation of Energy and Technology Absorption**

Since the Company is operating in service sector, there was no material use power/energy during the year.

##### **⌘ Foreign Exchange earnings and outgo**

The Company has no Foreign Exchange earnings and outgo.

#### **PARTICULARS OF EMPLOYEES**

None of the employees has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the Company has 7 employees as at the end of the Financial Year 2021-2022. Details of Employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be made available to any shareholder on a specific request made by him/her on request made in writing before the 38<sup>th</sup> Annual General Meeting.

#### **INTERNAL FINANCIAL CONTROL**

Your Company has laid down the set of standards, processes and structure which enables to implement internal financial control across the Organization and ensure that the same are adequate and operating effectively. To maintain the objectivity and independence of internal control, the Board maintains the control mechanisms.

The Board has also appointed M/s Mukeshkumar Jain and Assoc., Chartered Accountants, as the Internal Financial Control Advisors of the Company in order to flourish and gain the benefit of their infinite pools of knowledge and experience in fields of Finance and Accounting.

The Board monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with the operating systems, accounting procedures and policies of the Company. Based on the same, the process owners undertake the corrective action in their respective areas and thereby strengthen the Control. Significant audit observation and corrective actions thereon are presented to the Board. However, during the year, no significant deficiency in the control was found.

#### **STATUTORY AUDITORS**

Pursuant to provisions of Section 139 of the Companies Act, 2013 and all other relevant applicable laws and / or enactments, M/s Bhadrash Dipan & Associates., Chartered Accountants, Ahmedabad [Firm Registration No. 101097W], have been appointed as the Statutory Auditors of the Company for a term of 5 consecutive Financial Years i.e. from the conclusion of the 37<sup>th</sup> (Thirty Seventh) Annual General Meeting till the conclusion of the 42<sup>nd</sup> (Forty Second) Annual General Meeting to be held for the Financial Year 2025-2026.

The Board has duly reviewed the Statutory Auditors Report on the Accounts. The observations and comments, appearing in the Auditors Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

#### **COST RECORDS AND COST AUDIT:**

Pursuant to Provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the maintenance of Cost Records and conduct of the Cost Audit is not applicable to the Company.

#### **FRAUD REPORTING:**

During the Financial Year 2021-22, the Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company pursuant to provisions of Section 143(12) of the Companies Act, 2013.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Sec 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Key Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

#### **COMMENTS ON QUALIFICATION & RESERVATION BY AUDITORS ETC:**

There is no qualification or reservation in the Auditors Report.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

During the year, the company has not made any application under the Insolvency and Bankruptcy Code, 2016 and does not have any proceeding pending under the act.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

During the year no such onetime settlement has happened.

**ACKNOWLEDGEMENT**

Your company & Directors wish to place on record their appreciation of the assistance and co-operation extended by Investors, Bankers, Business Associates, and Government. We are deeply grateful to shareholders for their continued faith, confidence and support to the company.

**Registered Office:**

47, Shyamal Row House 3/B,  
Shyamal Cross Roads, Satellite,  
Ahmedabad-380015

For, RAJRADHE FINANCE LIMITED

Date: September 01<sup>st</sup>, 2022  
Place: Ahmedabad



*Deval R Shah*  
Deval R Shah  
Managing Director  
DIN 05133092



*Jayesh M Koshti*  
Jayesh M Koshti  
Executive Director  
DIN 08923382

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

**RAJRADHE FINANCE LIMITED (RRFL)** has been at the forefront of financial services and is the Company engaged in Investment and Financial activities since the year 1985.

Registered as a Non-Banking Financial Company since 1998, RRFL is an Organisation which is into Debt Assignment / Purchase of Loan Portfolios from various Banks, other Non-Banking Financial Companies and such other Financial Institutions, enforcing security interest & smoothening the business processes of such Financial Assets.

It is with this mindset on which our company's mission is based:

**To be a partner and supporter by offering a helping hand to the Banks or various Financial Institutions and also to the Financially stressed business Assets, preparing a bridge towards financial stability and yielding out of Investments made by the Company.**

A strong and a constant focus on Research & Development has led to some breakthrough offerings that are yet to fetch the ripe fruits to us. The Company's business policies have been developed with a view to enable our stakeholders to improve the yields on their business & preserving their names.

The Company financials show the following changes as compared to the Previous Financial Year:

### 1. INCREASE IN ASSETS

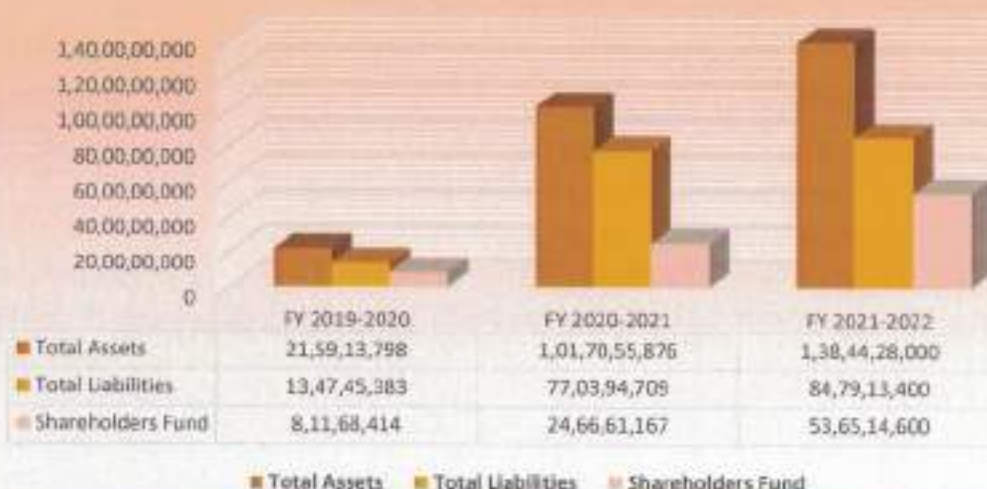
The Company had Total Assets worth ₹ 1,01,70,55,876 in the previous Financial Year 2020 - 2021 as compared to the current amount of Total Assets being ₹ 1,38,44,27,970. The Total Assets of the Company increased by ₹ 36,73,72,094 during the Financial Year 2021-2022 resulting in the Total Assets standing at 1.36 times.

### 2. INCREASE IN LIABILITIES

The Company had Total Liabilities worth ₹ 77,03,94,590 in the previous Financial Year 2020-2021 as compared to the current amount of Total Liabilities being ₹ 84,79,13,340 in the current Financial Year. The Total Liabilities of the Company increased by ₹ 7,75,18,750 during the Financial Year 2021-2022.

The **Net Increase in the Assets of ₹ 28,98,53,344** during the year under review. The Comparison of the Previous year and the Current Year Amounts for Total Assets and Total Liabilities are shown as follows:

### ASSETS-LIABILITIES COMPARISON



### 3. INCREASE IN TOTAL REVENUE

Your company had a total revenue of ₹4,46,43,400 in the previous Financial Year 2020-2021, of which Revenue from Operations stood at ₹2,69,57,125 and the Other Income stood at ₹1,76,86,285. In the Financial Year under review, the Revenue from Operations was ₹11,40,55,300, the Other Income was ₹5,34,400 which totalled up to ₹11,45,89,700.

The Total revenue increased to 256.68% over a period of 1 Financial Year and the Revenue from Operations alone increased by ₹ 8,70,98,175 by the end of the Financial Year 2021-2022.

### 4. INCREASE IN TOTAL EXPENSES

The Company expended a total of ₹ 3,44,12,367 as Expenses, in the previous Financial Year 2020-2021 wherein the Company Financials showed an amount of ₹ 5,47,36,200 as Expenses during the current Financial Year 2021-2022. This change is majorly due to the increase in the Interest expenses and Stamping & Registration expenses.

### 5. CHANGES IN NET PROFIT AFTER TAX

Net Profit after Tax for the Financial Year ending as on March 31<sup>st</sup>, 2021 stood at ₹ 1,04,92,753 as compared to the current Financial Year 2021-2022 amount of ₹ 4,98,53,500. The Net Profit after Tax has increased by 3.75 times over the period of 1 Financial Year i.e. ₹ 3,93,60,747 in terms of amount.

The Net Profit to Revenue Ratio stood at 23.50% in the Financial Year 2020-2021 which is an impressive 43.51% in Financial Year 2021-2022 i.e. almost twice the previous year. The Company is in the stage of Growth and the Management and Board of the Company expects to yet increase to great lengths in the coming Financial Years.

### 6. ASSETS UNDER MANAGEMENT

The Company witnessed growth in AUM of 130.24% since the previous Financial Year 2019-2020 i.e. the Current Year shows the AUM to be 230.24% of what it was in the Previous Financial Year. However, the Bifurcation of the various amounts for the Assets Under Management are as given below:

#### FINANCIAL YEAR 2021-2022

(Amt in ₹)

| SN | Bank Name            | Rights Acquired          | Assets Value at the time of Purchase |
|----|----------------------|--------------------------|--------------------------------------|
| 1  | Bank of Baroda       | 54,33,96,110.51          | 49,63,61,000.00                      |
| 2  | Bank of India        | 11,66,04,988.42          | 9,50,00,000.00                       |
| 3  | State Bank of India  | 1,61,40,31,053.00        | 90,04,88,800.00                      |
| 4  | Indian Overseas Bank | 1,59,50,532.04           | 3,37,50,000.00                       |
|    | <b>TOTAL</b>         | <b>2,28,99,82,683.97</b> | <b>1,52,55,99,800.00</b>             |

#### FINANCIAL YEAR 2020-2021

(Amt in ₹)

| SN | Bank Name           | Rights Acquired          | Assets Value at the time of Purchase |
|----|---------------------|--------------------------|--------------------------------------|
| 1  | Bank of Baroda      | 74,86,75,117.36          | 16,13,77,754.00                      |
| 2  | Bank of India       | 43,63,94,811.26          | 13,19,22,000.00                      |
| 3  | State Bank of India | 50,06,21,642.02          | 36,91,07,347.00                      |
|    | <b>TOTAL</b>        | <b>1,68,56,91,570.64</b> | <b>66,24,07,101.00</b>               |

#### FINANCIAL YEAR 2019-2020

(Amt in ₹)

| SN | Bank Name      | Rights Acquired        | Assets Value at the time of Purchase |
|----|----------------|------------------------|--------------------------------------|
| 1  | Bank of Baroda | 38,91,72,200.00        | 33,08,54,000.00                      |
|    | <b>TOTAL</b>   | <b>38,91,72,200.00</b> | <b>33,08,54,000.00</b>               |

## 7. RATIOS

### 1. Liquidity Ratios

The Company's financial performance when it comes to the liquidity and Working Capital Requirements, would be measured to a great extent with the use of the Liquidity ratios

#### a. Current Ratio / Acid Test Ratio

The ratio of the Current Assets to the Current Liabilities is called the Current Ratio. This depicts the level of abundance of the Current Assets over the Current Liabilities. There are no inventories in the Financial Year 2021-2022 thus the Current Ratio is the same as the Acid Test Ratio.

The Current ratio in the Financial Year 2020-2021 was 117.41 times and is currently 2.01 times in the Financial Year 2021-2022.

#### b. Cash Ratio

The ratio of Cash & Cash Equivalents as compared to the Current Liabilities is the Cash Ratio. It determines how apt the Cash & Cash Equivalents ratio is when compared to the liabilities that would require the payment within a short period of time.

The Cash Ratio in the Financial Year 2019-2020 was 0.97 times and was 0.16 times in the Financial Year 2020-2021.

### 2. Leverage Ratios

#### a. Debt Ratio

The Total Liabilities (includes both Non-current and Current Liabilities) as compared to Total Assets would depict the Debt Ratio of the Company which shall show how reliable the Asset base is to repay the Total Liabilities.

The Debt Ratio was 0.76 times in the previous Financial Year and has improved to stand at 0.61 times in the Financial Year 2021-2022.

#### b. Debt to Equity Ratio

The Total Liabilities (includes both Non-current and current liabilities) as compared to the Shareholders Equity (includes Equity Share Capital and Reserves and Surplus) is the Debt to equity Ratio. This shows how capable the Shareholder's fund is, for repayment of the Liabilities within the Company, whether they are Non-current or Current.

The Debt Equity Ratio stands at 1.58 times in the Financial Year 2021-2022 as compared to 3.12 times in the previous Financial Year 2020-2021.

### 3. Efficiency Ratios

#### a. Asset to Turnover Ratio

The quantum of Net Sales as compared to the Average Total Assets i.e. the Asset Turnover Ratio depicts that over the Average Asset size, the amount of Sales the Company is managing to make.

The Asset to Turnover Ratio stood at 4.37% in the Financial Year 2020-2021 as compared to 5.96% in the previous Financial Year 2019-2020.

### 4. Profitability Ratios

#### a. Return on Assets

The Net Income (Net Profit After Tax i.e. NPAT) the Company earns as compared to the amount of the Total Assets of the Company, determines the adequacy or inadequacy of the Company to earn Income as compared to the Asset base it holds and whether the Asset base is enough to fetch adequate returns for the Company

The Return on Assets Ratio is 3.60% in the current Financial Year as compared to 1.03% in the previous Financial Year 2020-2021.

#### b. Return on Equity

The Net Income (Net Profit after Tax i.e. NPAT) of the Company belongs to the Equity Shareholders as they are the owners of the Company. They shall know the adequacy of the Income earned in their

Company by this ratio as considered together with the Earnings per Share (EPS) which is ₹ 27.70 per share in the current Financial Year 2021-2022.

The quantum of Net Income to the Shareholder's Equity is 12.73% in the current Financial Year as compared to 6.40% in the previous Financial Year 2020-2021.

#### 8. FUTURE PROSPECTS

The Future is unknown, uncertain and unascertainable usually but, being an NBFC, RRFL has forecasted a certain number of Goals and targets it wishes to achieve. The Company is in the phase of GROWTH and there is immense potential and funds that are being invested currently in the Business.

Every Business needs Investment to ripe good Returns. Based on this belief, the expenses, the Cash Outflows and all such conferments made by the Company, are going to lead the Company eventually to the ripe fruits of success and engorged Returns.

The projection of the Company signifies the following as in the Future Prospects and Goals that RRFL wishes to achieve;

1. RRFL is into planning and has been preparing for launch of a new service of **LOAN AGAINST SECURITIES** and shall be soon coming up with the same. Invaluable efforts in this regards have already been made.
2. RRFL projects and plans to increase the value of Assets Under Management (AUM) to 2 (Two) times than it currently is, in the upcoming two Financial Years.
3. Cross the ₹ 500 crores Asset size mark within the next 2 Financial Years.
4. RRFL currently has its operations limited to the Western India and mostly in the Gujarat region. RRFL aspires to spread its branches around the entire INDIA.
5. To raise and distribute adequate returns to all the Investors and Members of the RRFL Family.
6. To follow the Motto of **वसुधैवकुटुम्बकम्**, also spread its wings wider, to the International operations as well.
7. Being a Baby resting in a cot, the RRFL has entered the Youth. As restless as ever, RRFL wishes to grow itself into the empowered Grown up and live upto its potential and strengths.

RRFL has major plans for the growth that are yet in the pipeline and would be revealed as time passes by.

## FORM AOC-2

### PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to Section 134(3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

#### A. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into by the Company during the financial year ended on March 31, 2022, which were not at arm's length basis.

#### B. Details of material contracts or arrangement or transactions at arm's length basis:

| S<br>N | NAME OF RELATED<br>PARTY & NATURE OF<br>RELATIONSHIP | NATURE OF<br>CONTRACTS/<br>ARRANGEMENT<br>S/<br>TRANSACTIONS | DURATION OF<br>CONTRACTS/<br>ARRANGEMENTS/<br>TRANSACTIONS | SALIENT TERMS OF<br>THE CONTRACTS OR<br>ARRANGEMENTS OR<br>TRANSACTIONS<br>INCLUDING<br>THE VALUE, IF ANY | DATE OF<br>APPROVAL<br>OF THE<br>BOARD | AMOUNT<br>PAID AS<br>ADVANCE<br>S, IF ANY |
|--------|------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------|
| 1      | Deval R Shah<br>Managing Director                    | Remuneration                                                 | 5 Years                                                    | ₹ 24,00,000/-                                                                                             | 01/04/2022                             | -                                         |
| 2      | Deval R Shah<br>Managing Director                    | Interest paid                                                | FY 2021-2022                                               | ₹ 95,56,000/-                                                                                             | 01/04/2022                             | -                                         |
| 3      | Jayesh M Koshti<br>Director                          | Remuneration                                                 | FY 2021-2022                                               | ₹ 2,10,000/-                                                                                              | 01/04/2022                             | -                                         |
| 4      | Bharat K Shah<br>Non-Executive Director              | Sitting Fees                                                 | FY 2021-2022                                               | ₹ 2,98,300/-                                                                                              | 01/04/2022                             | -                                         |
| 5      | Rohit C Shah HUF<br>HUF of Relative of<br>Director   | Office Rent                                                  | FY 2021-2022                                               | ₹ 1,35,000/-                                                                                              | 01/04/2022                             | -                                         |

Registered Office:

47, Shyamal Row House 3/B,  
Shyamal Cross Roads, Satellite,  
Ahmedabad-380015

For, RAJRADHE FINANCE LIMITED

Date: September 01<sup>st</sup>, 2022

Place: Ahmedabad



*Deval R Shah*  
Deval R Shah  
Whole-time Director  
DIN 05133092



*Jayesh M Koshti*  
Jayesh M Koshti  
Executive Director  
DIN 08923382

**RAJRADHE FINANCE LIMITED, AHMEDABAD****Independent Auditor's Report**

To,  
The Members of M/s. Rajradhe Finance Ltd,

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying Standalone financial statements of M/s. Rajradhe Finance Limited (*"the Company"*) which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2022, and profit/loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (*"the Act"*) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the

Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

- a. 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.
- b. 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.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. 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.
- f. 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

In terms of para 3(A) & para 3(C) of Chapter – II of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, we report as under:

- a. The company has been granted Certificate of Registration by Reserve Bank of India vide Registration No. 01.00048 dated 02.03.1998 to carry out Non-Banking Financial Activities.
- b. The company is entitled to hold Certificate of Registration issued by Reserve Bank of India in terms of its principal business criteria as on 31.03.2022
- c. The company is meeting the requirement of Net Owned Funds as laid down in Master Direction – Non-Banking Financial Company – Non systematically important non deposit taking company (Reserve Bank) directions, 2016.
- d. The Board of Directors has passed a resolution for non-accepting public deposits.
- e. The company has not accepted any public deposit during the year.
- f. The company has complied with provisions of income recognition, accounting standards, asset classification and provisioning for bad & doubtful debts as applicable to it in terms of Non-Banking Financial Company – Non systematically important non deposit taking company (Reserve Bank) Directions, 2016

For, Bhadresh Dipan & Associates.  
Chartered Accountants  
Firm Regn. No. 116006W



(Bhadresh R Shah)  
Partner  
M. No.017457

Place: Ahmedabad

Date: September 01, 2022  
UDIN No. 22017457AXRQKJ1201

## **"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year.

- (a) Particulars required by Clause iii(a) is not applicable to company.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, as all the loans are repayable on demand, the particulars required by clause (iii) (c) are not applicable.
- (d) In respect of loans granted by the Company, as all the loans are repayable on demand, the particulars required by clause (iii) (d) are not applicable.
- (e) This clause is not applicable to company.
- (f) In respect of loans granted by the company, the details is as under:

(Rs. In Hundreds)

|                                          |        |
|------------------------------------------|--------|
| Total Loans outstanding as on 31.03.2022 | 964576 |
| Loans Outstanding from relatives         | NIL    |
| % of loans outstanding from relatives.   | NIL    |

All the above loans are repayable on demand.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to lenders.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has applied term loan for the purposes for which they were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The company does not have any subsidiary, associate or joint venture therefore clause 3(ix)(e) & 3(ix)(f) of the Order are not applicable.

x. (A) The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and hence reporting under clause 3(x)(a) of the Order is not applicable.

(B) The Company has complied with provisions of Sec. 42 and Sec. 62 of Companies Act, 2013 while making private placement of shares. The funds raised have been utilised for the purposes for which they were raised.

xi. (a) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints, if any received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xi. The company is not a Nidhi Company hence reporting under clause (xii) of the Order is not applicable.

xii. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with 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.

xiv. (a) The provisions of internal audit system is not applicable to the company.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid Registration Certificate.

(c) In our opinion, the company is not a core investment company, hence reporting under sub clause (c) & (d) are not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. As per the information and explanation by the management and on the basis of audit procedures performed by us, we are of the opinion that provisions of Sec. 135 of Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the company.

For, Bhadresh Dipan & Associates.  
Chartered Accountants  
Firm Regn. No. 116006W



(Bhadresh R Shah)  
Partner  
M. No.017457

Place: Ahmedabad

Date: September 01, 2022

## **ANNEXURE -B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF RAJRADHE FINANCE LIMITED**

### **Report on the Internal Financial Controls under Clause (I) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("The Act")**

1. We have audited the internal financial controls over financial reporting of Rajradhe Finance Limited as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended as on 31-03-2022 on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on financial statement. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

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

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

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

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

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

#### **Opinion**

8. Our opinion, with respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, in our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system. Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022.

For, Bhadresh Dipan & Associates.  
Chartered Accountants  
Firm Regn. No. 116006W



(Bhadresh R Shah)  
Partner

M. No.017457

UDIN: 22017457AXRQKJ1201

Place: Ahmedabad

Date: September 01, 2022

**RAJRADHE FINANCE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2022**

(Rs. In Hundred)

| SN         | Particulars                      | Note No. | As at 31.03.2022 | As at 31.03.2021 |
|------------|----------------------------------|----------|------------------|------------------|
| <b>I.</b>  | <b>EQUITY AND LIABILITIES</b>    |          |                  |                  |
| <b>(1)</b> | <b>Shareholders' funds</b>       |          |                  |                  |
|            | (a) Share capital                | 2        | 1580000          | 1460000          |
|            | (b) Reserves and surplus         | 3        | 3785146          | 1006612          |
|            |                                  |          | <b>5365146</b>   | <b>2466612</b>   |
| <b>(2)</b> | <b>Non-Current liabilities</b>   |          |                  |                  |
|            | (a) Long Term Borrowings         | 4        | 2042919          | 7321569          |
|            | (b) Deferred Tax Liability       |          | -                | -                |
|            |                                  |          | <b>2042919</b>   | <b>7321569</b>   |
| <b>(3)</b> | <b>Current Liabilities</b>       |          |                  |                  |
|            | (a) Trade Payables               | 5        | 10996            | 18514            |
|            | (b) Other current liabilities    | 6        | 5947002          | 174125           |
|            | (c) Short term provisions        | 7        | 478217           | 189738           |
|            |                                  |          | <b>6436215</b>   | <b>382377</b>    |
|            | <b>TOTAL</b>                     |          | <b>13844280</b>  | <b>10170559</b>  |
| <b>II.</b> | <b>ASSETS</b>                    |          |                  |                  |
| <b>(1)</b> | <b>Non-current assets</b>        |          |                  |                  |
|            | (a) Fixed Assets                 | 8        | 40537            | 46062            |
|            | (b) Non-current investments      | 9        | 753547           | 14554            |
|            | (c) Other Non-Current Asset      | 10       | 300              | 300              |
|            | (d) Long Term Loans and Advances | 11A      | 296602           | 481222           |
|            |                                  |          | <b>1090986</b>   | <b>542138</b>    |
| <b>(2)</b> | <b>Current assets</b>            |          |                  |                  |
|            | (a) Trade receivables            | 12       | 28123            | 1593             |
|            | (b) Cash and cash equivalents    | 13       | 14560            | 62674            |
|            | (c) Short term loans & advances  | 11B      | 10895922         | 9376528          |
|            | (d) Other current assets         | 14       | 1814690          | 187625           |
|            |                                  |          | <b>12753294</b>  | <b>9628421</b>   |
|            | <b>TOTAL</b>                     |          | <b>13844280</b>  | <b>10170559</b>  |

Summary of significant accounting policies

1

Notes to Financial Statement

2-20

And the accompanying notes (1 to 24) form integral part of financial statements

For,  
Bhadresh Dipan & Associates  
Chartered Accountants  
FRN.: 116006W

*Bhadresh Shah*



Bhadresh Shah  
Partner  
UDIN: 22017457AXRQKJ1201

Place: Ahmedabad  
Date: September 01, 2022



*Deval R Shah*  
Deval R Shah  
Director  
DIN 05133092



*Rohit Kumar C Shah*  
Rohit Kumar C Shah  
Chief Financial Officer



*Jayesh M Koshti*  
Jayesh M Koshti  
Director  
DIN 08923382



*Shivani A Pathak*  
Shivani A Pathak  
Company Secretary

For,  
RAJRADHE FINANCE LIMITED

# RAJRADHE FINANCE LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(Rs in Hundred)

| SN    | Particulars                                                        | Note No. | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|-------|--------------------------------------------------------------------|----------|-------------------------------|-------------------------------|
| I.    | Revenue from operations                                            | 15       | 1140553                       | 269571                        |
| II.   | Other income                                                       | 16       | 5344                          | 176863                        |
| III.  | Total Revenue (I + II)                                             |          | 1145897                       | 446434                        |
| IV.   | Expenses:                                                          |          |                               |                               |
|       | Purchase of Product                                                |          | 16435                         | -                             |
|       | Direct Expenses                                                    | 17       | 418795                        | 256032                        |
|       | Employee benefits expense                                          | 18       | 42557                         | 36575                         |
|       | Finance costs                                                      | 19       | 1958                          | 141                           |
|       | Depreciation on Fixed Assets                                       | 8        | 19158                         | 4429                          |
|       | Other expenses                                                     | 20       | 48460                         | 46946                         |
|       | Total expenses                                                     |          | 547362                        | 344123                        |
| V.    | Profit before exceptional and extraordinary items and tax (III-IV) |          | 598535                        | 102311                        |
| VI.   | Exceptional items                                                  |          | -                             | -                             |
| VII.  | Profit before extraordinary items and tax (V - VI)                 |          | 598535                        | 102311                        |
| VIII. | Extraordinary Items                                                |          | -                             | -                             |
| IX.   | Profit before tax (VII- VIII)                                      |          | 598535                        | 102311                        |
| X.    | Tax expense:                                                       |          |                               |                               |
|       | (1) Current tax                                                    |          | 100000                        | 18000                         |
|       | Add : MAT credit written off                                       |          | 0                             | 7085                          |
|       | Less : Excess provision of earlier year written off                |          |                               | (27700)                       |
|       | (2) Deferred tax                                                   |          | 0                             | (2)                           |
| XI.   | Profit/(Loss) for the period from continuing operations (IX-X)     |          | 100000                        | (2617)                        |
| XII.  | Profit/(loss) from discontinuing operations                        |          | -                             | -                             |
| XIII. | Tax expense of discontinuing operations                            |          | -                             | -                             |
| XIV.  | Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) |          | -                             | -                             |
| XV.   | Profit (Loss) for the period (XI + XIV)                            |          | 498535                        | 104928                        |
| XVI.  | Earnings per equity share:                                         |          |                               |                               |
|       | (1) Basic                                                          |          | 27.70                         | 17.49                         |
|       | (2) Diluted                                                        |          | 27.7                          | 17.49                         |

Summary of significant accounting policies

1

Notes to Financial Statement

2-20

And the accompanying notes (1 to 24) form integral part of financial statements

For,

Bhadresh Dipan & Associates

Chartered Accountants

FRN.: 116006W

*[Signature]*



Bhadresh Shah  
Partner

UDIN: 22017457AXRQKJ1201



*[Signature]*

Deval R Shah  
Director  
DIN 05133092



*[Signature]*

Jayesh M Koshti  
Director  
DIN 08923382



*[Signature]*

Abhishek Kumar C Shah  
Chief Financial Officer



*[Signature]*

Shivani A Pathak  
Company Secretary

Place: Ahmedabad

Date: September 01, 2022

**RAJRADHE FINANCE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022** (Rs. In Hundred)

| PARTICULARS                                                           | F.Y. 2021-22     | F.Y. 2020-21     |
|-----------------------------------------------------------------------|------------------|------------------|
| <b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                  |                  |
| Net Profit After Tax                                                  | 498535           | 104928           |
| Adjustment for:                                                       |                  |                  |
| Depreciation                                                          | 19158            | 4430             |
| Audit Fees Provision                                                  | -                | -                |
| Depreciation Write Back                                               | -                | -                |
| Assets Written Off                                                    | -                | -                |
| Income Tax Paid                                                       | -                | -                |
| Interest Paid                                                         | -                | (3)              |
| (Deferred Tax)                                                        | -                | 9                |
| Depreciation Write Back                                               | -                | -                |
| <b>TOTAL (A)</b>                                                      | <b>517693</b>    | <b>109964</b>    |
| Operating Profit Before Working                                       |                  |                  |
| Adjustments for Change in Working Capital:                            |                  |                  |
| Trade Payables                                                        | (7518)           | 18210            |
| Other Current Liabilities                                             | 5772877          | 124545           |
| Other Non-Current Assets                                              | -                | -                |
| Trade Receivables                                                     | (26830)          | (1593)           |
| Long Term Borrowings                                                  | (5278650)        | 5991462          |
| Loan & Advance Towards Financing Activities (Short Terms)             | (1329734)        | (7883188)        |
| Short Term Provisions                                                 | 288479           | 222279           |
| Other Current Assets                                                  | (1627064)        | (51667)          |
| <b>TOTAL (B)</b>                                                      | <b>(2208141)</b> | <b>(1579952)</b> |
| <b>NET CASH FROM OPERATING ACTIVITIES BEFORE TAX</b>                  | <b>(1690448)</b> | <b>(1470588)</b> |
| Less: Income Tax Paid                                                 | -                | -                |
| <b>NET CASH FROM OPERATING ACTIVITIES AFTER TAX</b>                   | <b>(1690448)</b> | <b>(1470588)</b> |
| <b>2. CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                  |                  |
| Purchase of Fixed Assets                                              | (13633)          | (50370)          |
| Sale of Fixed Assets                                                  | -                | -                |
| Sale of Investments                                                   | (738993)         | 21954            |
| Loans and Advances (Long Term)                                        | (5040)           | (5180)           |
| <b>Net Cash used in Investing Activities</b>                          | <b>(757666)</b>  | <b>(33596)</b>   |
| <b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                  |                  |
| Borrowing Costs                                                       | -                | -                |
| Share option                                                          | -                | -                |
| Increase in Security Premium Reserve                                  | 2280000          | 140000           |
| Increase in Share Capital                                             | 120000           | 1410000          |
| Changes in Short Term Borrowings                                      | -                | -                |
| Capital Subsidy                                                       | -                | -                |
| Changes in Long Term Borrowings                                       | -                | -                |
| <b>Net Cash used in Financing Activities</b>                          | <b>2400000</b>   | <b>1550000</b>   |
| <b>4. NET INCREASE / DECREASE IN CASH &amp; CASH EQUIVALENTS</b>      | <b>(48114)</b>   | <b>45815</b>     |
| <b>5. Cash &amp; Cash Equivalents as at the Beginning of the Year</b> | <b>62674</b>     | <b>16860</b>     |
| <b>6. CASH &amp; CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>       | <b>14560</b>     | <b>62674</b>     |

Notes: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as per Accounting Standard - 3 on "CASH FLOW STATEMENT" issued by Institute of Chartered Accountants of India.

2. Previous year's figures have been regrouped/rearranged wherever necessary.

3. This is the Cash Flow Statement referred to in our report of even date.

For,

Bhadresh Dipan & Associates

Chartered Accountants

FRN.: 116006W

  
Bhadresh Shah

Partner

UDIN: 22017457AXRQKJ1201

Place: Ahmedabad

Date: September 01, 2022

For,  
RAJRADHE FINANCE LIMITED

  
Deval R Shah  
Director  
DIN 05133092

  
Jayesh M Koshti  
Director  
DIN 08923382

  
Rohit Kumar C Shah  
Chief Financial Officer

  
Shivani A Pathak  
Company Secretary

## **NOTES TO ACCOUNTS:**

### **NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

- a) The Company generally follows the mercantile system of accounting. All income and expenditure having material bearing on the financial statements are recognized on accrual basis except those with significant uncertainties or otherwise stated.
- b) Financial statements have been prepared under historical cost convention.
- c) The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and the provisions of Sec. 133 of Companies Act, 2013 requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include estimates of cost incurred and to be incurred for development and estimates of market and technological conditions and useful lives of fixed assets. Actual result could differ from those estimated.

#### **1.2 FIXED ASSETS:**

- a) Tangible Fixed assets are recognized only when the expenditure is to result in future economic benefits for more than one year and the asset is to be used for the purpose of business.
- b) It is initially measured at cost of purchase including all duties and taxes other than those that are recoverable from taxation and other government authorities including grants related to fixed assets, and other directly attributable expenses incurred to bring the asset to the condition of its intended use.
- c) Fixed assets are stated at the cost of acquisition less accumulated depreciation.

#### **1.3 DEPRECIATION:**

Depreciation on fixed assets is provided on Written Down Value Method at the rates and in the manner prescribed in the revised schedule II to the Companies Act 2013 on pro-rata basis.

#### **1.4 REVENUE RECOGNITION:**

Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Interest on Investment in Financial Assets is recognized only when it is actually realized.

Dividend income is recognized when the entity's right to receive dividend is established.

Profit on sale of investments (including shares and movable / immovable property) is recorded on transfer of title and is determined as the difference between the sale price and carrying value of the investment.

### **1.5 RETIREMENT BENEFITS:**

Considering the number of employees in the Company, none of the provisions for Employee or Retirement benefits are Applicable to the Company. Though, if applicable, the following shall be the accounting policies for the same:

- (a) Liability in respect of retirement gratuity benefits to employees will be charged to profit & loss account in the year of payment.
- (b) Leave encasement will be accounted on cash basis.

### **1.6 INCOME TAX:**

#### **a) RECOGNITION:**

Tax expenses comprise of deferred tax and current tax. Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

#### **b) MEASUREMENT:**

Deferred tax is measured using the substantively enacted tax rate of 26.00%. The company has not recognized deferred tax assets of Rs. 2650/- (Previous year Rs110/-) in view of prudence. Had the Company recognized the same, the Profit for the current year would have been increased by the same amount.

- c) Income tax expense comprises current tax, and deferred tax charge as credit.
- d) Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year based on the provisions of Income Tax Act, 1961.

### **1.7 BORROWING COSTS:**

- a) Borrowing costs that are directly attributable to the acquisition, production and construction of an asset that necessarily takes more than twelve months to get it ready for intended use shall be capitalized as part of the cost of that asset till all the activities necessary to prepare the qualifying asset for its intended use.
- b) The company shall capitalize the borrowing costs only when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the Profit and Loss Account. The company has not capitalized any borrowing costs during the year as there was not such acquisition of an Asset of capital nature.
- c) However, company is not required to capitalize any interest during the year as well.

### **1.8 EARNING PER SHARE:**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20 – Earning per Share issued by The Institute of Chartered Accountants of India. Basic earnings per share is computed by dividing the net profit for the year attributable to shareholders by the number of equity shares outstanding during the year. Nominal Value per share is Rs.10/-.

**CALCULATION OF BASIC AND DILUTED EPS:**

(Rs. in Hundreds)

| PARTICULARS                               | CURRENT YEAR                             | PREVIOUS YEAR                        |
|-------------------------------------------|------------------------------------------|--------------------------------------|
| Profit available for equity share holders | 498535                                   | 104927                               |
| No. of equity shares                      | 1800000                                  | 600000                               |
| Earnings per share (Basic)                | 27.70                                    | 17.49                                |
| Earnings per share (Diluted)              | 27.70                                    | 17.49                                |
| Weighted Average Shares                   | 649315<br>(600000 + 1200000 *<br>15/365) | 502465<br>(500000<br>(100000*9/365)) |
| Weighted Earning Per Share (Basic)        | 76.78                                    | 20.88                                |
| Weighted Earning Per Share (Diluted)      | 76.78                                    | 20.88                                |

**1.9 IMPAIRMENT OF ASSETS:**

- The company verifies & analyses the fixed assets during the year and checks whether there are any internal or external indications that confirm the recoverable amount of the assets is lesser than the book value. If such indications exist, the company accounts for impairment loss as the difference between the book value amount and the recoverable amount.
- The company reviews at each reporting date whether the Impairment losses recognized previously can be reversed. Impairment losses recognized previously are written back only if the conditions have improved. Impairment losses are reversed to the extent of the depreciable amount of the asset had no impairment been provided.

**1.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

- The Company recognizes provisions for all present obligations for which the Company has no other realistic alternative that can be measured reliably and it is certain that there will be an outflow of resources embodying economic benefits on settlement of such obligation.
- The Company discloses contingent liabilities for all possible obligation and those present obligations which cannot be measured reliably.
- The Company reviews all contingent liabilities continually to see whether the possible obligation has become present obligation or the present obligations can be measured reliably. If it is so, the company recognizes provisions for the same. If the possibility of the obligation is remote, no contingent liability is disclosed. The Company does not recognize any contingent assets.

**1.11 INVESTMENTS:**

Long term investments are stated at cost. Provision for diminution in the value of long- term investments is made only if such a decline is other than temporary in the opinion of the management. Short term investment are stated at cost or market value whichever is lower.

(Rs. In Hundred)

| PARTICULARS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | F.Y.2021-2022  | F.Y. 2020-21   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>NOTE NO. 2: SHARE CAPITAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                |                |
| <b>2.1. Authorised Share Capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |                |
| <b>EQUITY SHARE CAPITAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |
| 50,00,000 Equity Shares of Rs. 10/- each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 500000         | 500000         |
| <b>PREFERENCE SHARE CAPITAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                |
| (1,50,00,000 preference shares of Rs. 10/- each)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1500000        | 1500000        |
| <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>2000000</b> | <b>2000000</b> |
| <b>2.2. Issued, Subscribed &amp; Paid-up Capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |                |
| <b>1800000 Equity Shares of Rs. 10/- each, fully paid up</b><br>(Previous year 600000 Equity Shares of Rs. 10/- each Fully Paid up)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 180000         | 60000          |
| <b>6 % NON-CUMULATIVE REDEEMABLE PREFERENCE SHARE CAPITAL</b><br><b>1,40,00,000 preference shares of Rs. 10/- each, Redeemable at the end of 5 years from the date of issue</b><br>*Allotted as fully paid up without payment being received in cash<br>(Previous Year 1,40,00,000 Preference Shares of Rs 10/- each)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1400000        | 1400000        |
| <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1580000</b> | <b>1460000</b> |
| <b>2.3. Terms/rights attached to shares</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |
| <b>Equity Shares</b> <ul style="list-style-type: none"> <li>The company has equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to 1 vote per equity shares. Any shareholder whose name is entered in to Register of Members of the company shall enjoy the same rights and subject to the same liabilities as all other shareholders of the same class.</li> <li>In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts to preferential creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.</li> </ul> <b>6% Non-Cumulative Non-Convertible Redeemable Preference Share</b> <ul style="list-style-type: none"> <li>The Preference Shares are issued pursuant to provision of Companies Act, 2013, having a par value of Rs. 10 per Share. The shares having coupon rate of 6% and the same is on non-cumulative basis for arrears of dividend. The Share are not convertible and will be redeemed at par after 5 years from the date of issue. No provision for dividend has been made in the books for non-cumulative preference shares.</li> </ul> |                |                |
| <b>2.4. Reconciliation of Number of Shares Outstanding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |                |
| <b>Equity:-</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                |
| Opening Balance of Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 6,00,000       | 5,00,000       |
| Shares issued during the year through Right Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 12,00,000      | 100000         |
| Shares forfeited during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | -              | -              |
| Closing Balance of Shares(A)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 18,00,000      | 6,00,000       |

|                                  |             |             |
|----------------------------------|-------------|-------------|
| <b>Preference:-</b>              |             |             |
| Opening Balance of Shares        | 1,40,00,000 | -           |
| Shares issued during the year    |             | 1,40,00,000 |
| Shares forfeited during the year |             | -           |
| Closing Balance of Shares(B)     | 1,40,00,000 | 1,40,00,000 |

## 2.5. Details of shareholding in excess of 5%

| Name of the Shareholders | F.Y. 2021-22  |        | F.Y. 2020-21  |        |
|--------------------------|---------------|--------|---------------|--------|
|                          | No. of shares | %      | No. of shares | %      |
| Equity Share             |               |        |               |        |
| Rohitbhai C. Shah        | 351078        | 19.50% | 67026         | 11.17% |
| Deval R. Shah            | 402000        | 22.33% | 134000        | 22.33% |
| Rohitbhai C. Shah – HUF  | 239100        | 13.28% | 79700         | 13.28% |
| Ketan B. Shah            | 106000        | 5.89%  | 101000        | 16.83% |
| Jyotiben R. Shah         | 280200        | 15.57% | 43400         | 7.23%  |
| Prakashbhai C. Shah      | 300           | 0.02%  | 100100        | 16.68% |
| Harsha Zaveri            | 250000        | 13.89% | -             | -      |

## NOTE NO. 3: RESERVE & SURPLUS

|                                                             |                |                |
|-------------------------------------------------------------|----------------|----------------|
| <b>3.1. Security Premium Reserve:-</b>                      |                |                |
| Opening Balance                                             | 140000         | -              |
| Addition during the year                                    | 2280000        | 140000         |
| Closing Balance(A)                                          | 2420000        | 140000         |
| <b>3.2. Special Reserve:-</b>                               |                |                |
| Opening Balance                                             | 194746         | 173761         |
| Addition                                                    | 99707          | 20986          |
| Closing Balance(B)                                          | 294453         | 194746         |
| <b>3.3. Balance in the Statement of Profit &amp; Loss:-</b> |                |                |
| Opening Balance                                             | 671865         | 587923         |
| Add : Transferred from P & L Statement                      | 498535         | 104928         |
| Less : Proposed Dividend                                    | -              | -              |
| Less : Dividend tax                                         | -              | -              |
| Less : Transferred to Special Reserve                       | 99707          | 20986          |
| Closing Balance(C)                                          | 1070693        | 671865         |
| <b>TOTAL (A) + (B) + (C)</b>                                | <b>3785146</b> | <b>1006612</b> |

|                                                                                           |                |                |
|-------------------------------------------------------------------------------------------|----------------|----------------|
| 4.1.1.Bajaj Finance Ltd (Secured against pledge of shares)<br>(Repayable after 12 Months) | -              | 69664          |
| (A)                                                                                       |                | 69664          |
| 4.1.2.HDFC Car Loan (Hypothecation of Car – Gloster)                                      | 19613          | 23963          |
| Less : Repayable within 12 Months                                                         | (4695)         | (4350)         |
| (B)                                                                                       | 14919          | 19613          |
|                                                                                           |                | -              |
| <b>TOTAL (A + B)</b>                                                                      | <b>14919</b>   | <b>89277</b>   |
| <b>4.2. Unsecured Loans</b>                                                               |                |                |
| 3.2.1 From Director(s)                                                                    | 784000         | 2173737        |
| 3.2.2 Inter Corporate Borrowings                                                          | 1244000        | 5058555        |
| (C)                                                                                       |                |                |
| (D)                                                                                       |                |                |
| <b>TOTAL (C + D)</b>                                                                      | <b>2028000</b> | <b>7232292</b> |
| <b>TOTAL</b>                                                                              | <b>2042919</b> | <b>7321569</b> |

#### NOTE NO. 5: TRADE PAYABLES

|                                                                             |              |              |
|-----------------------------------------------------------------------------|--------------|--------------|
| Outstanding dues of Micro, Small and Medium Enterprise                      | -            | -            |
| Outstanding dues of Creditors other than Micro, Small and Medium Enterprise | 10996        | 18514        |
| <b>TOTAL</b>                                                                | <b>10996</b> | <b>18514</b> |

#### DISCLOSURE REQUIREMENT FOR SUNDRY CREDITORS COVERED UNDER MSME ACT, 2006

As informed by the management, the Company has circulated confirmation for the identification of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006.

The Company has not received any confirmation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, relating to amounts unpaid, if any, as at the end of the year together with interest paid / payable as required under the said Act have not been given in our financial statement.

#### NOTE NO. 6: OTHER CURRENT LIABILITIES

|                                          |                |               |
|------------------------------------------|----------------|---------------|
| Current Maturity of Long-Term Debts      | 4695           | 4350          |
| Creditors for Expenses                   | 1000           | 700           |
| Joint Venture for Assets Purchase        | 5416000        | -             |
| Advance received for One Time Settlement | 450000         | 85000         |
| Statutory Dues                           | 24907          | 44575         |
| Advance from Debtors                     | 50400          | 39500         |
| <b>TOTAL</b>                             | <b>5947002</b> | <b>174125</b> |

**NOTE NO. 7 SHORT TERM PROVISIONS**

|                                                         |               |               |
|---------------------------------------------------------|---------------|---------------|
| Contingent Provision Against Standard Assets            | 18151         | 13651         |
| Contingent Provision Against Sub Standard Assets        | 77273         | -             |
| Contingent Provision Against Doubtful Assets            | 60214         | -             |
| Provision for Bad & Doubtful Debt (Sec.36)              | 45000         | -             |
| Overdue Interest Reserve (Unrecognized Interest on NPA) | 108710        |               |
| Provision for Interest                                  | 50870         | 158087        |
| Provision for Income Tax                                | 118000        | 18000         |
| <b>TOTAL</b>                                            | <b>478217</b> | <b>189738</b> |

**NOTE NO. 9 NON-CURRENT INVESTMENTS (AT COST)****9.1. Investment In Equity – (Demat Form)**

| Quoted Equity Shares                                                        | FV | FY 2021-22    |                 | FY 2020-21    |                 |
|-----------------------------------------------------------------------------|----|---------------|-----------------|---------------|-----------------|
|                                                                             |    | No. of Shares | Value of Shares | No. of Shares | Value of Shares |
| Adani Power Ltd                                                             | 10 | 7150          | 2982            | 7500          | 2892            |
| Indian Oil Corporation Ltd                                                  | 10 | 300           | 309             | 300           | 309             |
| L & T Finance Holding Ltd                                                   | 10 | 1250          | 2183            | 1250          | 2271            |
| Nagarjun Oil Refinery Ltd                                                   | 1  | 75000         | 1113            | 75000         | 1113            |
| NTPC Ltd                                                                    | 10 | 4300          | 5365            | 4300          | 5365            |
| Reliance Capital Ltd                                                        | 10 | 1120          | 433             | 1120          | 433             |
| Reliance Industries Ltd (Received as Bonus)                                 | 10 | 5750          | -               | 5750          | -               |
| Sudal Industries Ltd                                                        | 10 | 500           | 56              | 500           | 56              |
| Swaraj Engine Ltd                                                           | 10 | 3777          | 1606            | 3777          | 1606            |
| Aashka Hospital Ltd                                                         | 10 | 464000        | 247313          | -             | -               |
| Suzlon Energy Ltd                                                           | 10 | 5000          | 588             | -             | -               |
| <b>TOTAL (A)</b>                                                            |    | <b>568147</b> | <b>261947</b>   | <b>99497</b>  | <b>14044</b>    |
| <b>Market Value of Above investments as at the end of the relevant year</b> |    |               | <b>455168</b>   |               | <b>178007</b>   |

**9.2. Investment In Equity – (Physical Form)**

| Unquoted Equity Shares | FV | FY 2021-22    |                 | FY 2020-21    |                 |
|------------------------|----|---------------|-----------------|---------------|-----------------|
|                        |    | No. of Shares | Value of Shares | No. of Shares | Value of Shares |
| Maral Finance Ltd      | 1  | 50000         | 500             | 50000         | 500             |
| <b>TOTAL (B)</b>       |    | <b>50000</b>  | <b>500</b>      | <b>50000</b>  | <b>500</b>      |

**9.3. Investment In Preference Shares (1000 Shares)**

| Unquoted Equity Shares   | FV | FY 2020-2021  |                 | FY 2019-2020  |                 |
|--------------------------|----|---------------|-----------------|---------------|-----------------|
|                          |    | No. of Shares | Value of Shares | No. of Shares | Value of Shares |
| JSW Steel Ltd            | 1  | 1000          | 10              | 1000          | 10              |
| <b>TOTAL (C)</b>         |    | <b>1000</b>   | <b>10</b>       | <b>1000</b>   | <b>10</b>       |
| <b>TOTAL (A + B + C)</b> |    | <b>619147</b> | <b>262457</b>   | <b>150497</b> | <b>14554</b>    |

**9.4. Investment in Immovable Property**

|                            |  |               |               |               |              |
|----------------------------|--|---------------|---------------|---------------|--------------|
| <b>TOTAL (D)</b>           |  | -             | 491090        | -             | -            |
| <b>TOTAL (A + B + C+D)</b> |  | <b>619147</b> | <b>753747</b> | <b>150497</b> | <b>14554</b> |

**BHADRESH DIPAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**RAJRADHE FINANCE LIMITED**

(Rs in Hundred)

| Note No. 8 - Tangible Assets |                      |                                  |          |                              |                             |                             |                              |                    |                           |                               |                                 |
|------------------------------|----------------------|----------------------------------|----------|------------------------------|-----------------------------|-----------------------------|------------------------------|--------------------|---------------------------|-------------------------------|---------------------------------|
| Sr. No.                      | Particulars          | Opening Balance as at 01.04.2021 | Addition | Sale/ Transfer to Investment | Gross Block as on 31.3.2022 | Depreciation upto 31.3.2021 | Depreciation during the year | Assets Written Off | Depreciation Written back | Depreciation up to 31.03.2022 | Closing Balance as at 31.3.2022 |
|                              |                      | Rs.                              | Rs.      | Rs.                          | Rs.                         | Rs.                         | Rs.                          |                    | Rs.                       | Rs.                           | Rs.                             |
| 1                            | Air Condition        | 1848                             | 0        | 0                            | 1848                        | 28                          | 329                          | 0                  | 0                         | 357                           | 1490                            |
| 2                            | Ather Scooter        | 0                                | 1739     | 0                            | 1739                        | 0                           | 413                          | 0                  | 0                         | 413                           | 1326                            |
| 3                            | CCTV Camera          | 101                              | 0        | 0                            | 101                         | 4                           | 44                           | 0                  | 0                         | 48                            | 54                              |
| 4                            | Computer             | 400                              | 3466     | 0                            | 3866                        | 21                          | 1706                         | 0                  | 0                         | 1727                          | 2138                            |
| 5                            | Furniture & fixtures | 3301                             | 299      | 0                            | 3600                        | 71                          | 907                          | 0                  | 0                         | 978                           | 2622                            |
| 6                            | Gloster Car          | 37888                            | 0        | 0                            | 37888                       | 3949                        | 10601                        | 0                  | 0                         | 14550                         | 23338                           |
| 7                            | Laptop               | 748                              | 0        | 0                            | 748                         | 69                          | 429                          | 0                  | 0                         | 498                           | 250                             |
| 8                            | LED                  | 0                                | 754      | 0                            | 754                         | 0                           | 85                           | 0                  | 0                         | 85                            | 669                             |
| 9                            | Machine              | 643                              | 1042     | 0                            | 1685                        | 24                          | 474                          | 0                  | 0                         | 499                           | 1186                            |
| 10                           | Mobile Phone         | 4055                             | 3600     | 0                            | 7655                        | 152                         | 2650                         | 0                  | 0                         | 2803                          | 4852                            |
| 11                           | Scanner              | 0                                | 196      | 0                            | 196                         | 0                           | 113                          | 0                  | 0                         | 113                           | 82                              |
| 12                           | Smart Watch          | 0                                | 475      | 0                            | 475                         | 0                           | 143                          | 0                  | 0                         | 143                           | 333                             |
| 13                           | Sound System         | 0                                | 1521     | 0                            | 1521                        | 0                           | 491                          | 0                  | 0                         | 491                           | 1030                            |
| 14                           | Tally Software       | 0                                | 540      | 0                            | 540                         | 0                           | 142                          | 0                  | 0                         | 142                           | 398                             |
| 15                           | Television           | 1517                             | 0        | 0                            | 1517                        | 120                         | 629                          | 0                  | 0                         | * 749                         | 768                             |
|                              | TOTAL Rs.            | 50501                            | 13633    | 0                            | 64134                       | 4439                        | 19158                        | 0                  | 0                         | 23597                         | 40537                           |
|                              | PREVIOUS YEAR Rs     | 140                              | 50361    | 0                            | 50501                       | 9                           | 4430                         | 0                  | 0                         | 4439                          | 46062                           |

**NOTE NO. 10: OTHER NON-CURRENT ASSETS**

|                |            |            |
|----------------|------------|------------|
| Office Deposit | 300        | 300        |
| <b>TOTAL</b>   | <b>300</b> | <b>300</b> |

**NOTE NO. 11 A : LONG TERM LOAN & ADVANCES**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Inter-Corporate Deposits (ICD) | 85357         | 80317         |
| Other Long-Term Loan           | 211245        | 400905        |
| <b>TOTAL</b>                   | <b>296602</b> | <b>481222</b> |

**NOTE NO. 12: TRADE RECEIVABLES**

|                                                           |              |             |
|-----------------------------------------------------------|--------------|-------------|
| <b>Unsecured, Considered Good</b>                         |              |             |
| Outstanding for a period more than or equal to six months | 2092         | -           |
| Outstanding for a period less than six monthss            | 26031        | 1593        |
| <b>TOTAL</b>                                              | <b>28123</b> | <b>1593</b> |

**NOTE NO. 13: CASH & CASH EQUIVALENTS**

|                          |              |              |
|--------------------------|--------------|--------------|
| 13.1. Cash on Hand       | 1536         | 2546         |
| 13.2. Balance with Banks | 13024        | 60128        |
| <b>TOTAL</b>             | <b>14560</b> | <b>62674</b> |

**NOTE NO. 11 B: SHORT TERM LOANS & ADVANCES**

|                                     |                 |                |
|-------------------------------------|-----------------|----------------|
| Secured business loan               | 396755          | -              |
| Secured Personal loan               | 138026          | -              |
| Unsecured business Loan             | 133192          | 2241292        |
| Unsecured personal loan             | -               | 2356875        |
| Other loans                         | -               | 380995         |
| Interest Receivable Reserve         | 108710          | -              |
| Advance Paid against Asset purchase | 2749338         | 1043400        |
| Financial Assets being Purchased    | 7369900         | 3353966        |
| <b>TOTAL</b>                        | <b>10895922</b> | <b>9376528</b> |

**NOTE NO. 14: OTHER CURRENT ASSETS**

|                                                                  |                |               |
|------------------------------------------------------------------|----------------|---------------|
| Advance's receivable in cash or kind or for value to be received | 1562188        | 5524          |
| Receivable from Govt Authority                                   | 251852         | 181101        |
| Advances to Staff                                                | -              | 1000          |
| Bajaj Finance Limited Overdraft                                  | 649            |               |
| <b>TOTAL</b>                                                     | <b>1814690</b> | <b>187625</b> |

**NOTE NO. 15: REVENUE FROM OPERATIONS**

|                                             |                |               |
|---------------------------------------------|----------------|---------------|
| 16.1. Sale                                  | 22060          | -             |
| 16.2. Profit from Financial Assets          | 646317         | 27875         |
| 16.3. Interest Income on Loan               | 461402         | 220970        |
| 16.4. Loan Processing Fees & Charges        | 8500           | 8740          |
| 16.5. Stamping & Registration Fees          | 2274           | 7203          |
| 16.6. Legal Expenses recovered from parties | -              | 4784          |
| <b>TOTAL</b>                                | <b>1140553</b> | <b>269571</b> |

**NOTE NO. 16: OTHER INCOME**

|                                           |             |               |
|-------------------------------------------|-------------|---------------|
| 17.1. Long term profit on sale of Shares  | 541         | 149173        |
| 17.2. Short term profit on sale of Shares | -           | 6825          |
| 17.3. Profit on sale of property          | -           | 18070         |
| 17.4. Share Dividend                      | 3357        | 2795          |
| 17.5. Interest on FDR                     | 1440        | -             |
| 17.6. Kasar                               | 6           | -             |
| <b>TOTAL</b>                              | <b>5344</b> | <b>176863</b> |

**NOTE NO. 17: DIRECT EXPENSES**

|                                                                |               |               |
|----------------------------------------------------------------|---------------|---------------|
| 18.1. Interest Expenses                                        | 219135        | 222031        |
| 18.2. Stamping & Registration Charges                          | -             | 20285         |
| 18.3. ROC Charges                                              | 12055         | 203           |
| 18.4. CIBIL Search Expenses                                    | 68            | 5             |
| 18.5. Franking & Stamping Charges                              | 549           | 1549          |
| 18.6. Provision for Standard Assets                            | 4501          | 11959         |
| 18.7. Provision for Doubtful Assets                            | 60214         | 0             |
| 18.8. Provision for Sub Standard Assets                        | 77274         | 0             |
| 18.9. Provision for Bad and Doubtful Assets as per IT (Sec.36) | 45000         | 0             |
| <b>TOTAL</b>                                                   | <b>418795</b> | <b>256032</b> |

**NOTE NO. 18: EMPLOYEE BENEFIT EXPENSES**

|                                  |              |              |
|----------------------------------|--------------|--------------|
| 19.1. Salaries, Bonus, PF & ESIC | 16212        | 7557         |
| 19.2. Staff Welfare Expense      | 245          | 18           |
| 19.3. Directors Remuneration     | 26100        | 29000        |
| <b>TOTAL</b>                     | <b>42557</b> | <b>36575</b> |

**NOTE NO. 19: FINANCE COST**

|                        |             |            |
|------------------------|-------------|------------|
| Bank Charges           | 275         | 141        |
| HDFC Car loan Interest | 1683        | -          |
| <b>TOTAL</b>           | <b>1958</b> | <b>141</b> |

**NOTE NO. 20: OTHER EXPENSES**

|                                   |              |              |
|-----------------------------------|--------------|--------------|
| Audit Fee                         | 1000         | 810          |
| Advertisement Expenses            | -            | 260          |
| Consultancy Services              | 150          | 1000         |
| Conveyance                        | 350          | 121          |
| Courier Expense                   | 177          | 49           |
| DEMAT Expense                     | 77           | 484          |
| Director Sitting Fees             | 2983         | -            |
| Donation                          | 6000         | 1000         |
| Fuel Expense                      | 716          | 277          |
| Electricity Expenses              | 1312         | 146          |
| GST Expenses                      | 7            | -            |
| Interest on TDS                   | 1015         | -            |
| Kasar                             | -            | 18           |
| Legal & Professional Fees         | 4696         | 17272        |
| Loan Processing Charges           | -            | 443          |
| Long Term Loss on sale of shares  | 86           | 8874         |
| Insurance Expense                 | 69           | 2314         |
| Membership Fees                   | 168          | 236          |
| Mobile Expenses                   | 218          | -            |
| Miscellaneous Expense             | 4            | 27           |
| Notary Charges                    | 193          | 37           |
| Office Expenses                   | 3666         | 1720         |
| Office Rent                       | 3900         | 2400         |
| Pledge & DP Charges               | -            | 3            |
| Professional Fees                 | 886          | 43           |
| Professional Tax                  | 596          | -            |
| Repairs & Maintenance             | 291          | 297          |
| Security Expenses                 | -            | 1646         |
| Share Trading Expenses            | 1633         | 341          |
| Short Term Loss on sale of Shares | 9094         | -            |
| Stamp Charges Expense             | 5089         | 5735         |
| Stationery Expense                | 1099         | 341          |
| Telephone Expense                 | 214          | 45           |
| Trademark Registration Expense    | 5            | 99           |
| Travelling Expense                | 2520         | 563          |
| True Copy Expenses                | 14           | -            |
| Vehicle Expense                   | 54           | 7            |
| Water Bottle Expense              | 44           | 36           |
| Written off Fixed Assets          | -            | 115          |
| Xerox Expense                     | 134          | 188          |
| <b>TOTAL</b>                      | <b>48460</b> | <b>46946</b> |

# NOTES No '21' to '24' -NOTES FORMING PART OF THE ACCOUNTS

## NOTE NO. 21: DISCLOSURE AS PER ACCOUNTING STANDARD

### 21.1 MAJOR COMPONENTS OF DEFERRED TAX:

| SN | Items giving rise to timing Difference               | Deferred Tax Assets 2021-22<br>Rs. In hundreds | Deferred Tax Assets 2020 - 21<br>Rs. In hundreds |
|----|------------------------------------------------------|------------------------------------------------|--------------------------------------------------|
| 1  | Written Down Value of Fixed Assets as Per Books      | 40537                                          | 46178                                            |
| 2  | Written Down Value of Fixed Assets as Per Income Tax | 50706                                          | 46590                                            |
| 3  | Total timing Differences                             | 10169                                          | 412                                              |
| 4  | Substantively enacted tax rate                       | 26.00%                                         | 26.00%                                           |
| 5  | Tax Effect of Timing Differences                     | 2644                                           | 107                                              |
| 6  | Say DTL / (DTA)                                      | (2650)                                         | (110)                                            |
| 7  | Provision made in the books                          | NIL                                            | NIL                                              |

### 21.2(A) LIST OF RELATED PARTIES AND RELATIONSHIP:

| PARTICULARS                                                                  | 2021-22                                                                                                                                                                                                                                             | 2020-21                                                                                                                                   |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Subsidiary Companies                                                         | NIL                                                                                                                                                                                                                                                 | NIL                                                                                                                                       |
| Enterprises in which key management personnel exercise significant influence | Geera Trading LLP<br>Freedom Energy Pvt Ltd<br>Shah & Associates                                                                                                                                                                                    | Geera Trading LLP<br>Freedom Energy Pvt Ltd<br>Shah & Associates                                                                          |
| Key Management Personnel                                                     | Prakashbhai Chimanlal Shah<br>Kaushikbhai Chimanlal Shah<br>(Resigned from 01.02.2021)<br>Deval Rohitkumar Shah<br>Jayesh Madanlal Koshti<br>Bharat Kantilal Shah (Appointed on 01.04.2021)<br>Rohitkumar C Shah (CFO)<br>(Appointed on 28.09.2021) | Prakashbhai Chimanlal Shah<br>Kaushikbhai Chimanlal Shah<br>(Resigned from 01.02.2021)<br>Deval Rohitkumar Shah<br>Jayesh Madanla IKoshti |
| Relative of Key Management Personnel with whom transactions are affected.    | Rohitbhai C Shah                                                                                                                                                                                                                                    | Rohitbhai C Shah                                                                                                                          |

### 21.2(B) RELATED PARTY TRANSACTIONS:

| (Rs. In Hundreds) |              |                  |              |               |
|-------------------|--------------|------------------|--------------|---------------|
| SR.NO             | PARTICULARS  | NAME             | CURRENT YEAR | PREVIOUS YEAR |
| 1                 | REMUNERATION | PRAKASH C SHAH   | -            | 5000          |
| 2                 | REMUNERATION | DEVAL R SHAH     | 24000        | 24000         |
| 3                 | REMUNERATION | JAYESH KOSHTI    | 2100         | 875           |
| 4                 | OFFICE RENT  | ROHIT C SHAH HUF | 1350         | 1800          |
| 5                 | INTEREST     | DEVAL R SHAH     | 95560        | 70568         |
| 6                 | SITTING FEES | BHARAT K SHAH    | 2983         | -             |

**NOTE NO. 22: REQUIREMENT AS PER SCHEDULE-III**

(Rs. In Hundreds)

| PARTICULARS            | 2021-22 | 2020-21 |
|------------------------|---------|---------|
| Audit Fee              | 750     | 550/-   |
| For Tax Audit          | 0       | 0       |
| For Company Law Matter | 0       | 0       |
| For other services     | 250     | 150/-   |
| Total                  | 1000/-  | 700/-   |

**NOTE NO. 23: OTHER NOTES**

- 23.1 In the opinion of the Board of Directors, the current assets, loans & advances are approximately of the value stated in the balance sheet, if realized in the ordinary course of business.
- 23.2 Balance of Unsecured Loans, Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation.
- 23.3 Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.
- 23.4 Comparative financial information (i.e. the amounts and other disclosure for the preceding year presented above) is included as an integral part of the current year's financial statement and is to be read in relation to the amounts and disclosures relating to the current year.
- 23.5 During the year, the company has transferred Rs. 99706.80/- (PY Rs. 20985.50/-) (Rs. In Hundreds) to Special Reserve Account u/s. 45IC of the RBI Act, 1934 for the year ended 31<sup>st</sup> March, 2022.
- 23.6 During the year the company has recognized provision amounting to Rs. 1,41,988/- on Loans given for Rs. 84,43,185/- (PY Rs. 11,958/- on loans given for Rs. 54,60,383/-) as per NBFC Prudential norms under Notification No. DNBS 222CGM (us) 2011 and DNBS 223CGM (us) 2011 dated January 17, 2011.

For 31.03.2022

(Rs. In Hundreds)

| Type of Assets     | Amount outstanding as on 31.03.2022 | % of Provision | Amount of Provision outstanding as on 31.03.2022 |
|--------------------|-------------------------------------|----------------|--------------------------------------------------|
| Standard Assets    | 72,56,896/-                         | 0.25%          | 18,142/-                                         |
| Substandard Assets | 7,72,738/-                          | 10.00%         | 77,274/-                                         |
| Doubtful Assets    | 3,01,068/-                          | 20.00%         | 60,213/-                                         |
| Total              | 83,30,702/-                         |                | 1,55,629/-                                       |

For 31.03.2021

(Rs. In Hundreds)

| Type of Assets     | Amount outstanding as on 31.03.2021 | % of Provision | Amount of Provision outstanding as on 31.03.2021 |
|--------------------|-------------------------------------|----------------|--------------------------------------------------|
| Standard Assets    | 54,60,383/-                         | 0.25%          | 13,651/-                                         |
| Substandard Assets | -                                   | -              | -                                                |
| Doubtful Assets    | -                                   | -              | -                                                |
| Total              | 54,60,383/-                         | -              | 13,651/-                                         |

- 23.7 The Company is in business of purchase of Financial Assets / Loan Portfolios from Banks or Non-Banking Financial Companies or any such other Financial Institutions, financial details of which is given in Management Discussion and Analysis Report (Annexure 1 to the Director's Report).
- 23.8 Schedule to the Balance Sheet of a Non-Banking Finance Company as required in terms of Paragraph 18 of Non-Banking Financial Company – Non-Systematically important Non deposit taking company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 is as per Annexure 1.

#### NOTE NO. 24: Additional Notes

#### 24 Notes on Additional Regulatory information as required by amendment in Schedule III:

24.1 The figures are rounded off to nearest of Hundreds.

24.2 The Company not issued any bonus shares during 2015-16 to 2020-21.

24.3 As Informed by the management, during the year there were no pending dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosure, relating to amount unpaid, if any, as at the yearend together with interest paid / payable as required under the said Act have not been given in our financial statement.

24.4 The company has not taken any loan from bank against security of current assets.

24.5 As the company has only 1 business segment, segment information as per AS 17 is not required to be given.

24.6 Ageing of Trade Payable:

As at 31.03.2022

| Particulars            | Not due for Payment | Outstanding for following period from the due date of payment |           |           |                   | Total   |
|------------------------|---------------------|---------------------------------------------------------------|-----------|-----------|-------------------|---------|
|                        |                     | Less than 1 year                                              | 1-2 Years | 2-3 Years | More than 3 years |         |
| MSME                   |                     |                                                               |           |           |                   |         |
| Others                 |                     | 10996/-                                                       | -         | -         | -                 | 10996/- |
| Disputed Dues – MSME   |                     |                                                               |           |           |                   |         |
| Disputed Dues – Others |                     |                                                               |           |           |                   |         |

As at 31.03.2021

| Particulars            | Not due for Payment | Outstanding for following period from the due date of payment |           |           |                   | Total   |
|------------------------|---------------------|---------------------------------------------------------------|-----------|-----------|-------------------|---------|
|                        |                     | Less than 1 year                                              | 1-2 Years | 2-3 Years | More than 3 years |         |
| MSME                   |                     |                                                               |           |           |                   |         |
| Others                 |                     | 18514/-                                                       | -         | -         | -                 | 18514/- |
| Disputed Dues – MSME   |                     |                                                               |           |           |                   |         |
| Disputed Dues – Others |                     |                                                               |           |           |                   |         |

#### 24.7 Ageing of Trade Receivables:

As at 31.03.2022

| Particulars                                        | Not due for Payment | Outstanding for following period from the due date of payment |                   |           |           |                   | Total   |
|----------------------------------------------------|---------------------|---------------------------------------------------------------|-------------------|-----------|-----------|-------------------|---------|
|                                                    |                     | Less than 6 Months                                            | 6 Months – 1 Year | 1-2 Years | 2-3 Years | More than 3 years |         |
| Undisputed Trade Receivables – considered good     |                     | 26031/-                                                       | 500/-             | 1592/-    | -         | -                 | 28123/- |
| Undisputed Trade Receivables – considered doubtful |                     |                                                               |                   |           |           |                   |         |
| Disputed Trade Receivables – considered good       |                     |                                                               |                   |           |           |                   |         |
| Disputed Trade Receivables – considered doubtful   |                     |                                                               |                   |           |           |                   |         |
|                                                    |                     |                                                               |                   |           |           |                   |         |

As at 31.03.2021

| Particulars                                        | Not due for Payment | Outstanding for following period from the due date of payment |                   |           |           |                   | Total  |
|----------------------------------------------------|---------------------|---------------------------------------------------------------|-------------------|-----------|-----------|-------------------|--------|
|                                                    |                     | Less than 6 Months                                            | 6 Months – 1 Year | 1-2 Years | 2-3 Years | More than 3 years |        |
| Undisputed Trade Receivables – considered good     |                     | 1593/-                                                        | -                 | -         | -         | -                 | 1593/- |
| Undisputed Trade Receivables – considered doubtful |                     |                                                               |                   |           |           |                   |        |
| Disputed Trade Receivables – considered good       |                     |                                                               |                   |           |           |                   |        |
| Disputed Trade Receivables – considered doubtful   |                     |                                                               |                   |           |           |                   |        |
|                                                    |                     |                                                               |                   |           |           |                   |        |

#### 24.8 Details of promoter's shareholding:

##### i) Equity Shares

| Sr. No. | Name of the Promoter  | No. of shares held at the end of the year | % of shareholding as at the end of the year | No. of shares held at the beginning of the year | % of shareholding as at the beginning of the year | % change during the year |
|---------|-----------------------|-------------------------------------------|---------------------------------------------|-------------------------------------------------|---------------------------------------------------|--------------------------|
| 1       | Prakashbhai C Shah    | 300                                       | 0.02                                        | 100100                                          | 16.68%                                            | 16.66%                   |
| 2       | Deval Rohitkumar Shah | 402000                                    | 22.33%                                      | 134000                                          | 22.33%                                            | -                        |

ii) Preference Shares

| Sr. No. | Name of the Promoter | No. of shares held at the end of the year | % of shareholding as at the end of the year | No. of shares held at the beginning of the year | % of shareholding as at the beginning of the year | % change during the year |
|---------|----------------------|-------------------------------------------|---------------------------------------------|-------------------------------------------------|---------------------------------------------------|--------------------------|
| 1       | Deval R Shah         | 14000000                                  | 100%                                        | 14000000                                        | 100%                                              | -                        |

24.9 Details of Registration of charges or satisfaction with Registrar of Companies:

| Particulars of charge                                                    | Statutory period of registration | Actual date of registration | Reason if charge is registered beyond statutory period |
|--------------------------------------------------------------------------|----------------------------------|-----------------------------|--------------------------------------------------------|
| No charges are registered during the year for the company on RoC Portal. |                                  |                             |                                                        |

24.10 Details of Loans & Advances to related parties:

No loans and advances are given to related party.

24.11 CSR Provisions are not applicable to the company.

24.12 As per the information available with the company, the company has not carried out any transaction with struck off companies.

24.13 As per the records of the company, the company has utilized term loans borrowed from bank and financial institution for the purpose for which the same was borrowed.

24.14 Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

24.15 There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

24.16 Compliance with Number of Layers of Companies: Since the Company does not have any holding/subsidiary, thus the clause is not applicable.

24.17 Relationship with Struck off Companies: There are no transactions and balance outstanding to and from any struck off companies as on the balance sheet date.

24.18 Willful Defaulter: Company is not declared willful defaulter by any bank or financial Institution or other lender.

24.19 Compliance with approved Scheme(s) of Arrangements: No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

24.20 Title deeds of Immovable Properties not held in name of the Company : Company does not have any immovable asset which is not held in the name of company so disclosure is not applicable

24.21 Details of benami property: No proceedings has been initiated / pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

For,  
Bhadresh Dipan & Associates  
Chartered Accountants

FRN.: 116006W



Bhadresh Shah  
Partner

UDIN: 22017457AXRQKJ1201

For,  
RAJRADHE FINANCE LIMITED



Deval R Shah  
Director  
DIN 05133092



Jayesh M Koshti  
Director  
DIN 08923382

Place: Ahmedabad  
Date: September 01, 2022



Rohitkumar C Shah  
Chief Financial Officer



Shivani A Pathak  
Company Secretary

# **SCHEDULE TO THE BALANCE SHEET AS AT 31.03.2022 OF RAJRADHE FINANCE LIMITED** **A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY**

(As Required in terms of Paragraph 18 of Non-Banking Financial Company- Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR.PD 007/03.10.119/2016-17 dated September 01, 2016)

| PARTICULARS                                                                                                       | (RS. IN LAKHS)            |                |
|-------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|
|                                                                                                                   | AMOUNT OUTSTANDING        | AMOUNT OVERDUE |
| <b>LIABILITIES SIDE:</b>                                                                                          |                           |                |
| (1) Loans and Advances by the non-banking financial company inclusive of interest accrued thereon but not paid    |                           |                |
| (a) Debentures:<br>Secured<br>Unsecured<br>(Other than falling within the meaning of public deposits)             |                           |                |
| (b) Deferred Credits                                                                                              |                           |                |
| (c) Term Loans                                                                                                    |                           |                |
| (d) Inter-Corporate Loans & Borrowings                                                                            | 1294.75                   | 0              |
| (e) Commercial Paper                                                                                              |                           |                |
| (f) Public Deposits                                                                                               |                           |                |
| (g) Other Loans (Shareholders and their relatives)                                                                | 784.10                    | 0              |
| (i) Advance From Holding Company                                                                                  |                           |                |
| (ii) Advance From Body Corporate<br>Secured<br>Unsecured                                                          |                           |                |
| (iii) Advance from Banks (Secured)                                                                                | 18.96                     | 0              |
| (2) Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):      |                           |                |
| (a) In terms of Unsecured debentures                                                                              | 0                         | 0              |
| (b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security | 0                         | 0              |
| (c) Other Public Deposits                                                                                         | 0                         | 0              |
| <b>ASSETS SIDE:</b>                                                                                               | <b>AMOUNT OUTSTANDING</b> |                |
| (3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):          |                           |                |
| (a) Secured                                                                                                       | 633.66                    |                |
| (b) Unsecured                                                                                                     | 245.55                    |                |
| (4) Break up 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                                                                                               | 0                         |                |
| (b) Operating Lease                                                                                               | 0                         |                |
| (ii) Stock on Hire including Hire Charges under Sundry Debtors:                                                   |                           |                |
| (a) Assets on Hire                                                                                                | 0                         |                |
| (b) Repossessed Assets                                                                                            | 0                         |                |
| (iii) Other loans counting towards AFC activities                                                                 |                           |                |
| (a) Loans where assets have been repossessed                                                                      | 0                         |                |
| (b) Loans other than (a) above                                                                                    | 0                         |                |
| (5) Break up of Investments:                                                                                      |                           |                |
| Current Investments:                                                                                              |                           |                |

|                                                                                                                                    |                                                     |                                      |                                                     |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------|-----------------------------------------------------|
| 1. Quoted                                                                                                                          |                                                     |                                      |                                                     |
| (i) Shares: (a) Equity                                                                                                             |                                                     | 0                                    |                                                     |
| (b) Preference                                                                                                                     |                                                     | 0                                    |                                                     |
| (ii) Debentures and Bonds                                                                                                          |                                                     | 0                                    |                                                     |
| (iii) Units of Mutual Funds                                                                                                        |                                                     | 0                                    |                                                     |
| (iv) Government Securities                                                                                                         |                                                     | 0                                    |                                                     |
| (v) Others (please specify) (Assets Purchased)                                                                                     |                                                     | 7369.89                              |                                                     |
| 2. Unquoted:                                                                                                                       |                                                     |                                      |                                                     |
| (i) Shares: (a) Equity                                                                                                             |                                                     | 0                                    |                                                     |
| (b) Preference                                                                                                                     |                                                     | 0                                    |                                                     |
| (ii) Debentures and Bonds                                                                                                          |                                                     | 0                                    |                                                     |
| (iii) Units of Mutual Funds                                                                                                        |                                                     | 0                                    |                                                     |
| (iv) Government Securities                                                                                                         |                                                     | 0                                    |                                                     |
| (v) Others (please specify)                                                                                                        |                                                     | 0                                    |                                                     |
| Long Term Investments:                                                                                                             |                                                     |                                      |                                                     |
| 1) Quoted                                                                                                                          |                                                     | 261.95                               |                                                     |
| (i) Shares (a) Equity                                                                                                              |                                                     |                                      |                                                     |
| (b) Preference                                                                                                                     |                                                     | 0                                    |                                                     |
| (ii) Debentures and Bonds                                                                                                          |                                                     | 0                                    |                                                     |
| (iii) Units of Mutual Funds                                                                                                        |                                                     | 0                                    |                                                     |
| (iv) Government Securities                                                                                                         |                                                     | 0                                    |                                                     |
| (v) Others (please specify)                                                                                                        |                                                     | 0                                    |                                                     |
| 3. Unquoted:                                                                                                                       |                                                     |                                      |                                                     |
| (i) Shares: (a) Equity                                                                                                             |                                                     | 0.5                                  |                                                     |
| (b) Preference                                                                                                                     |                                                     | 0.01                                 |                                                     |
| (ii) Debentures and Bonds                                                                                                          |                                                     | 0                                    |                                                     |
| (iii) Units of Mutual Funds                                                                                                        |                                                     | 0                                    |                                                     |
| (iv) Government Securities                                                                                                         |                                                     | 0                                    |                                                     |
| (v) Others (Residential Property)                                                                                                  |                                                     | 0                                    |                                                     |
| (6) Borrower group-wise classification of assets financed as in (3) and (4) above                                                  |                                                     |                                      |                                                     |
| Category                                                                                                                           | Amount net of provision                             |                                      |                                                     |
|                                                                                                                                    | Secured                                             | Unsecured                            | Total                                               |
| Related Parties                                                                                                                    |                                                     |                                      |                                                     |
| (a) Subsidiaries                                                                                                                   | 0                                                   | 0                                    | 0                                                   |
| (b) Companies in the same group                                                                                                    | 0                                                   | 0                                    | 0                                                   |
| (c) Other related parties                                                                                                          |                                                     |                                      |                                                     |
| Other than related parties                                                                                                         | 633.66                                              | 245.55                               | 879.21                                              |
| Total                                                                                                                              | 633.66                                              | 245.55                               | 879.21                                              |
| (7) Investor group-wise classification of all investments (current and long term in shares and security (both quoted and unquoted) |                                                     |                                      |                                                     |
| Category                                                                                                                           | Market value<br>Break up or<br>fair value or<br>NAV | Book value<br>(Net of<br>provisions) | Market value<br>Break up or<br>fair value or<br>NAV |
| 1. Related Parties                                                                                                                 |                                                     |                                      |                                                     |
| (a) Subsidiaries                                                                                                                   | 0                                                   | 0                                    | 0                                                   |
| (b) Companies in the same group                                                                                                    |                                                     |                                      |                                                     |
| (c) Other related parties                                                                                                          | 0                                                   | 0                                    | 0                                                   |

|                                                |  |         |   |
|------------------------------------------------|--|---------|---|
| 2 Other than related parties                   |  | 7632.35 | — |
| (8) Other information                          |  |         |   |
| Particulars                                    |  |         |   |
| (I) Gross Non-Performing Assets                |  |         |   |
| (a) Related parties                            |  | 0       |   |
| (b) other than related parties                 |  | 1073806 |   |
| Total                                          |  | 1073806 |   |
| (II) Net Non-Performing assets                 |  |         |   |
| (a) related parties                            |  | 0       |   |
| (b) other than related parties                 |  | 936319  |   |
| (iii) Assets acquired in satisfaction of debts |  | 0       |   |