

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Seventy-Seventh Annual Report together with the Audited Financial Statements of the Company for the Year ended March 31, 2019.

Financial Highlights

During the year under review, performance of your Company as under:

(Amount in Rupees)

<u>Particulars</u>	<u>Year Ended 31st March, 2019</u>	<u>Year Ended 31st March, 2018</u>
Total Revenue	16,19,271	34,25,037
Profit/(Loss) before taxation	2,56,802	(6,56,083)
Less: Tax Expense	49,410	-
Profit/(Loss) after tax	2,07,392	(6,56,083)
Add: Balance B/F from the previous year	(7,45,421)	(89,338)
Balance Profit / (Loss) C/F to the next year	(5,38,029)	(7,45,421)

Review of Operations

During the year under review the Company has recorded a total revenue of Rs. 16,19,271/- as compared to Rs. 34,25,037/- in the previous year. The Company has recorded a net profit of Rs. 2,07,392/- as previous year net loss was Rs. 6,56,083/-.

Share Capital

The Company has 30,800,000/- Equity Share Capital for the Financial Year ended March 31, 2019.

Change in Management

There was no change in the management of the Company during the financial year ended March 31, 2019.

Change in the Nature of Business

The Company is engaged in the business of Investment and Financial Activity. There was no change in the nature of business of the Company.

Dividends

The Board does not recommend any dividend for the financial year 2018-19.

General Reserve

The Company has not transferred any fund to General Reserve during the financial year 2018-19.

Number of meeting of Board of Directors

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. During the year, **thirteen** Board meetings were held. The maximum time gap between any two consecutive meetings did not exceed 120 days. The date on which the Board Meetings were held are **11.04.2018, 28.05.2018, 13.07.2018, 30.07.2018, 31.07.2018, 03.09.2018, 05.09.2018, 30.10.2018, 13.11.2018, 20.11.2018, 05.12.2018, 12.02.2019 & 04.03.2019**.

Meeting of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 04, 2019 wherein the performance of the Non-Independent Director and the Board as a whole was reviewed. The Independent Director at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors of the Company.

Committees of the Board :

The Company has constituted / re-constituted various Board level committees in accordance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Details of all the Committees along with their composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this Annual Report.

Audit Committee :

The composition, powers, role and terms of reference of the Audit Committee are in accordance with the requirements prescribed under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The major tasks performed by the Audit Committee may be grouped under the following heads

Statutory Audit, Internal Audit, Reporting and other aspects

- The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial information.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- Reviewing the Management Discussion & Analysis of financial and operational performance.
- Review the adequacy and effectiveness of the Company's system and internal control.
- To review the functioning of the Whistle Blower mechanism.

Roles of the Audit Committee

- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Discussion with internal auditors of any significant findings and follow up there on.

Powers of the Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee as on date of this report comprises of Mr. Mathew Jose, Mr. Bahuleyan Raman Nalupurakkal, Mr. Sunny Mathew & Mr. Kochumathew Chowailoor Joseph.

Nomination & Remuneration Committee :

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015

The Terms of Reference of the Committee are as follows

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and Professional services are suitably remunerated according to the industry.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties

Performance Evaluation of Directors

In compliance with the provisions of the Listing Regulations, 2015 the Nomination and Remuneration Committee on the basis of the Board Evaluation Policy and framework adopted by the Board contemplated by the evaluation process of the Independent Directors Evaluation criteria formulated for the Independent Directors are broadly based on

- Leadership & stewardship abilities
- Contributing to clearly defined corporate objectives and plans
- Performance of duties and level of insight
- Professional conduct and independence
- Qualification, experience and past track records

The Committee as on date of this report comprises of Mr. Mathew Jose, Mr. Bahuleyan Raman Nalupurakkal & Mr. Sunny Mathew.

Stakeholders Relationship Committee :

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 2015 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

The Committee looks into Share transfer, reviews shareholders'/investors' complaints and resolution thereof

The Committee performs following Functions

- Transfer/Transmission of shares
- Issue of Duplicate Share Certificates
- Review of Share dematerialization and re-materialization
- Monitoring the expeditious Redressal of Investor Grievances
- Monitoring the performance of Company's Registrar & Transfer Agent

The Committee as on date of this report comprises of Mr. Mathew Jose, Mr. Bahuleyan Raman Nalupurakkal, Mr. Sunny Mathew & Mr. Kochumathew Chowailoor Joseph

Material Changes and Commitments, if any, affecting financial position

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your company to which the financial statements relate and the date of the report.

Details of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

Extract of Annual Return

The extract of Annual Return in Form No. MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management & Administration) Rules, 2014 is annexed hereto as ***Annexure – II***.

Particulars of Contracts or Arrangements with Related Parties :

A Related Party Transaction Policy has been formulated by the Board of Directors for determining the materiality of transactions with related parties and dealing with them. The said policy may be referred to at the Company's website at www.rajputanainvestment.com.

The Audit Committee reviews all related party transactions. All contracts or arrangements with related parties, entered into or modified during the financial year, within the meaning of Section 188 (1) of Companies Act, 2013 were in ordinary course of business and on arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulation.

There are no material contracts or arrangements entered into by the Company during the year with Related Parties. There are no materially significant related party transactions entered into by the Company with promoters, directors, key managerial personnel or other designated persons or related party as per definition contained u/s 2(76) of the Act, which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies (Accounts) Rules, 2014 in Form AOC-2 has been enclosed as ***Annexure – III*** is attached herewith and forms part of this Director's Report.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo :

Particulars of Conservation of energy, technology absorption and foreign exchange and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company. The disclosures are annexed as ***Annexure-IV*** and forms part of this Annual Report.

Details of Directors and Key Managerial Personnel

During the period the Board of the Company was reconstituted for the purpose of better growth and expansion and diversification of the business of the Company.

a) Appointment of Director

During the year under review the Board of Directors of the Company had appointed following Directors:

- Mr. Chanayil Surendran Gopalan (Din: 00074631) as an Executive Director w.e.f July 31, 2018.
- Mr. Kochumathew Chowailoor Joseph (Din: 02685057) as an Executive Director w.e.f July 31, 2018.
- Mr. Cheruvathoor Kuriappan Appumon (Din: 00135500) as an Executive Director w.e.f July 31, 2018
- Mr. William Varghese Chungath Cheru (Din: 00074708) as an Executive Director w.e.f July 31, 2018
- Mr. Mathew Jose (Din: 00542339) as a Non- Executive Independent Director w.e.f July 31, 2018
- Mr. Bahuleyan Raman Nalupurakkal (Din: 00297057) as a Non- Executive Independent Director w.e.f July 31, 2018

- Mr. Vellanikkaran Antony James (Din: 05011653) as a Non- Executive Independent Director w.e.f July 31, 2018
- Mrs. Kochuthressia (Din: 08219202) as a Non- Executive Independent Director w.e.f October 30, 2018

b) Cessation in Directorship during the Year

During the year under review the Board of Directors of the Company had resigned following Directors:

- Mr. Santanu Sen (Din: 07020142) as an Additional Director w.e.f July 31, 2018.
- Mr. Badri Prasad Singhanian (Din: 01956791) as a Non-Executive Independent Director w.e.f July 31, 2018.
- Pursuant to Section 167(1)(b) Mr. Pawan Kumar Sovasaria (Din: 06563272) as a Whole Time Director w.e.f July 31, 2018
- Ms. Kritika Rupda (Din: 07920553) as a Non-Executive Independent Director w.e.f October 30, 2018.
- Mr. Vellanikkaran Antony James (Din: 05011653) as a Non- Executive Independent Director w.e.f February 12, 2019.
- Mr. Chanayil Surendran Gopalan (Din: 00074631) as an Executive Independent Director w.e.f May 14, 2019
- Mr. Cheruvathoor Kuriappan Appumon (Din: 00135500) as an Executive Independent Director w.e.f May 14, 2019
- Mr. William Varghese Chungath Cheru (Din: 00074708) as an Executive Independent Director w.e.f May 14, 2019
- Mrs. Kochuthressia (Din: 08219202) as a Non - Executive Independent Director w.e.f May 14, 2019

c) Statement on declaration given by Independent Directors under Section 149(6)

Your Company has received declarations from all the Independent pursuant to Section 149 (7) of the Companies Act, 2013 of the Company confirming that they meet the criteria of interdependence as prescribed both under Section 149 (6) of the Companies Act, 2013 read with rules made thereunder and Regulation 16 (1) (b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

d) Change in Key Managerial Personnel :

The Board of Directors of the Company has appointed Ms Puja Seth as Company Secretary & Compliance Officer of the Company with effect from 01st April, 2019 in place of Ms. Varsha Dandharia, who has resigned from the post of Company Secretary & Compliance Officer on 31st March, 2019 to look after the compliances of the Company.

Mr. Pankaj Kanodia, Managing Director cum Chief Financial Officer & Ms. Puja Seth, Company Secretary & Compliance Officer of the Company are the Whole-time Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

e) Familiarization Programme undertaken for Independent Directors

The Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. pursuant to Regulation 25 (7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 on appointment, the Independent Director is issued a letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The Directors also explained in detail the various compliances required from him to act as a Director under the various provisions of the Companies Act, 2013, SEBI (LODR) Regulation, 2015, SEBI (Prohibition of Insider Trading) Regulation, 2011, the Code of Conduct of the Company and other relevant regulations. The details of familiarization is available on Company's website www.rajputanainvestment.com.

Board Evaluation :

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to sub-section 3(p) of Section 134 of the Companies Act, 2013 and the corporate

governance requirements as prescribed by Securities and Exchange Board of India (“SEBI”) under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc. The criteria for evaluation of Directors inter alia includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, integrity, ethics, value and openness

The Directors express their satisfaction over the evaluation process and results thereof.

Management Discussion and Analysis Report :

A separate report on Management Discussion and Analysis is annexed as part of Annual Report along with the Auditors Certificate in compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Subsidiaries, JVs or Associate Companies :

The Company does not have any Joint Ventures, Associate or Subsidiary Companies as on March 31, 2019.

Change of Registered Office:

The Registered Office of the Company has changed from “Nigam Centre”, 155 Lenin Sarani, Room No.108, 1st Floor, Kolkata – 700013 to “Nanda Tower”, 90 Phears Lane, Room No. 601, 6th Floor, Kolkata – 700012 w.e.f. January 02, 2019.

Particulars of Employees and Related Disclosures :

Disclosures pertaining to remuneration and other details under Section 197(12) of the act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are annexed as *Annexure-V*. However, as per the provisions of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to the Members and others entitled thereto, excluding the disclosure on particulars of employees which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

Directors Responsibility Statement :

Pursuant to clause (c) of sub-section (3) of Section 134 and Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that :

- a) **Accounting Standard:** In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) **Accounting Policies:** 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 and loss of the Company for that period.
- c) **Proper Efficient and Care :** 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) **Going Concern Basis:** The Directors had prepared the annual accounts on a going concern basis.
- e) **Compliance with all laws:** The Directors had devised proper system to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

- f) **Internal Financial Controls:** The Directors had laid down internal financial control to be followed by the Company and that such internal financial control are adequate and operating effectively.

Board's Comment on the Auditor's Report :

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory.

Risk Management Policy :

The Board of Directors of the Company has formulated a Risk Management policy which aims at enhancing shareholders value and providing an optimum risk reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures. In the opinion of the Board, none of the risks faced by the Company threaten the existence of the Company.

The Company has adequate internal control systems and procedures to combat risks. The risk management procedure is reviewed by the Audit Committee and Board of Directors on a quarterly basis at the time of review of quarterly financial results of the Company.

This policy is also available on the Company's website www.rajputanainvestment.com.

Internal Financial Control Systems :

1. The Company has appointed Internal Auditor to observe the Internal Controls who regularly monitors if the workflow of the organization is being done through the approved policies of the Company. In every half year ended during the approval of Un-audited Financial Results along with Statement of Assets & Liabilities, Internal Auditor submit the Internal Audit Report to the Board.
2. The Board of Directors of the Company has adopted various policies like Related Party Transaction Policy, Whistle Blower Policy and other procedures for ensuring the orderly and efficient conduct of its business. The Company system of internal control has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, safeguarding of its asset, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of financial information.

Vigil Mechanism/ Whistle Blower Policy :

The Company has established an effective Whistle Blower Policy person to the Companies Act, 2013 and SEBI listing Regulation, 2015. The said policy may be referred to at the company's website at the following web link www.rajputanainvestment.com. It aims at conducting the affairs of the Company in a fare and transparent manner by adopting the highest standard of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concern about un-ethical behavior, actual or suspected fraud or violation of code of conduct an ethics. It also provide for educate safeguards against the victimization of employees who able the mechanism to allow direct access to the Chairman of the Audit Committee in exceptional cases.

Transfer of Amounts to Investor Education and Protection Fund :

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company did not have any funds lying unpaid or unclaimed. Therefore, there was no funds which were required to be transferred to Investor Education And Provident fund (IEPF).

Auditors :

a) **Statutory Auditors :**

M/s. Gupta Agarwal & Associates, Chartered Accountants. (Firm Registration No. 329001E) , Kolkata had been appointed as the Statutory Auditor of the Company by the Members in their Annual General Meeting held on 21st July , 2017 till the conclusion of fifth consecutive AGM of the Company to be held in the year 2022(Subject to ratification by the members at every AGM). In view of the amendment made to section 139 of the Companies Act, 2013 vide Companies (Amendment) Act, 2017 which is effective from 7th May 2018, annual ratification of appointment of statutory auditors have been done away with.

Accordingly M/s. Gupta Agarwal & Associates, Chartered Accountants shall continue to be the Statutory Auditors of the Company till the conclusion of AGM to be held in the year 2022 and their appointment shall not be subject to ratification by the members on an annual basis.

b) **Internal Auditors :**

Pursuant to Section 138 of the Companies Act, 2013 the Company had appointed M/s. Nawalgaria Sandeep & Co. as the Internal Auditor of the Company for the financial year 2019-2020, to carry out the internal audit of the Company. As the previous Internal Auditor M/s. V.K. Singhania & Associates, has been resigned from the post of Internal Auditor.

c) **Secretarial Auditor :**

The Board had appointed M/s.Vishnu Agarwal & Associates, Practising Company Secretary (CP No. 21322), to conduct Secretarial Audit for the financial year ended on 31st March, 2019. The Secretarial Audit Report for the financial year ended on 31st March, 2019 is annexed herewith and marked as ***Annexure I*** to this Report. The Secretarial Audit Report does not contain any qualification / adverse remark / observation.

Deposits :

Your Company has not accepted any Fixed Deposit under Chapter-V of the Companies Act, 2013 during the financial year and as such, no amount on account of Principal or Interest on Deposits from Public was outstanding as on March 31, 2019.

Corporate Social Responsibility

In pursuance of the provisions of Section 135 of the companies Act 2013, the CSR provisions were not applicable to the Company.

Code of Conduct :

The Board of Directors has approved a code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day operations of the Company in accordance with the applicable Accounting Standards. The code laid down by the Board is known as “Code of Conduct”. The code has been posted on the Company’s website www.rajputanainvestment.com.

Prevention of Insider Trading :

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in Securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading window is closed. The Board is responsible for implementation of the code.

All Board Directors and the designated employees have confirmed compliance with the code.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has formulated a policy for the prevention of sexual harassment within the Company. It ensures prevention and deterrence of acts of sexual harassment and communicates procedures for their resolution and

settlement. Internal Complaint Committee have been constituted which is chaired by a female employee of the Company in accordance with the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which ensures implementation and compliance with the Law as well as the policy at every unit. There were no cases/ complaints reported in this regard during the year 2018-19. A copy of the Policy against sexual harassment is posted on the Company's Website www.rajputanainvestment.com.

Nomination and Remuneration Policy of the Company :

The Nomination & Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and rules thereto stating therein the Company's policy on Directors, payment of managerial remuneration, Directors qualifications, positive attributes, independence of Directors by the Nomination & Remuneration Committee which was revised and reviewed by the Board of Directors at its meeting held on July 31, 2018. The said policy is furnished as *Annexure-VI*.

Acknowledgement :

Your Board sincerely places on record the support extended by the Trade, Shareholders, Company's Bankers, Central and State Government Authorities, Stock Exchanges, CDSL, NSDL and all other Business Associates for the growth of the organization. The Board further expresses its appreciation for the services rendered by the Executives, officers, staffs and workers of the Company at all levels.

We look forward to receiving the continued patronage from all quarters to become a better and stronger Company.

For Rajputana Investment & Finance Limited

Sd/-

Pankaj Kumar Kanodia
Managing Director & CFO
Din : 07020952

Sd/-

Kochumathew Chowailoor Joseph
Director
Din : 02685057

Place : Kolkata
Date : May 30, 2019