

# **ROSELABS FINANCE LIMITED**

20<sup>th</sup> Annual Report  
2013 - 2014

## BOARD OF DIRECTORS

<b>Directors</b>	<b>Category</b>
Mr. Santosh Kumar Ojha	Chairman - Independent Director
Mr. Nilesh Rawat	Managing Director
Mr. Prakash Ganapathi Bhat	Independent Director
Ms. Purnima Pavle	Non-Executive Non-Independent Director

**CHIEF FINANCIAL OFFICER** Mr. Kuntiprakash Inani

**COMPANY SECRETARY** Mr. Sanjay Gupta

**BANKERS** HDFC Bank Limited  
Kotak Mahindra Bank Limited  
Bank of Baroda

**REGISTERED OFFICE:** 416, Anand Mangal Complex, Behind Omkar House,  
C. G. Road, Navrangpura, Ahmedabad- 380 009  
Website: [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in)  
E-mail: [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com)

**REGISTRAR AND SHARE TRANSFER AGENT:** Link Intime India Private Limited  
C- 13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup, Mumbai- 400 078  
Tel No: 022- 25963838  
Email Id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## TABLE OF CONTENTS

Contents	Page No.
Information about the Company .....	2
Notice to Members .....	3
Directors' Report.....	13
Report on Corporate Governance .....	16
Management Discussion and Analysis Report .....	23
Auditors' Report.....	25
Balance Sheet .....	28
Statement of Profit & Loss.....	29
Cash Flow Statement .....	30
Notes forming part of the Financial Statements .....	31
Proxy & Attendance Slip	

## NOTICE

**Notice** is hereby given that the **20<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of Roselabs Finance Limited (CIN No. L67120GJ1995PLC024070) will be held on Monday, September 15, 2014 at 12.30 p.m. at 416, Anand Mangal Complex I, Behind Omkar House, C. G. Road, Navrangpura, Ahmedabad – 380 009 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014, including the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint M/s. Shanker and Kapani (Registration Number: 117761W), Chartered Accountants, as Statutory Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force) M/s. Shanker and Kapani, Chartered Accountants, Mumbai, registered with the Institute of Chartered Accountants of India vide Firm Registration No. 117761W, retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting of the Company, subject to the ratification by the Members of the Company at every Annual General Meeting, held after this Annual General Meeting, on such remuneration as shall be decided by the Board of Directors or any Committee thereof."

### **SPECIAL BUSINESS:**

3. **Appointment of Ms. Purnima Pavle, as Director**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 160 of the Companies Act, 2013 read alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Ms. Purnima Pavle (DIN 06705133), who was appointed as an Additional Director on October 11, 2013, pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a written notice from a Member of the Company alongwith deposit of Rs.1 Lakh, proposing her candidature as Director, be and is hereby appointed as the Director of the Company, whose office shall be liable to retire by rotation."

4. **Appointment of Mr. Nilesh Rawat, as Director liable to retire by rotation and also as Managing Director of the Company**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 160 of the Companies Act, 2013 read alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Nilesh Rawat (DIN 06705140), who was appointed as an Additional Director on October 11, 2013, pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a written notice from a Member of the Company alongwith deposit of Rs.1 Lakh, proposing his candidature as Director, be and is hereby appointed as the Director of the Company, whose office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read alongwith the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded for the appointment of Mr. Nilesh Rawat as the Managing Director of the Company, without any remuneration, with substantial powers of management being entrusted to him, for a period of 3 years effective from October 11, 2013 on the terms and conditions as specified in the statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and to do all such deeds, acts, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution on behalf of the Company.”

**5. Appointment of Mr. Prakash Bhat, as an Independent Director.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered by the Company with BSE Limited, where the shares of the Company are listed (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Prakash Bhat (DIN 00654992), Director of the Company, who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 alongwith the deposit of Rs.1 Lakh, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office up to September 14, 2019, not liable to retire by rotation.”

**6. Appointment of Mr. Santosh Ojha, as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered by the Company with the BSE Limited, where the shares of the Company are listed (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Santosh Ojha (DIN 02494357), Director of the Company, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, alongwith the deposit of Rs.1 Lakh, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office up to September 14, 2019, not liable to retire by rotation”.

**7. Authority to borrow under Section 180(1)(c) of the Companies Act, 2013**

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

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company, and further subject to approval of such authority(ies) as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted / to be constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to borrow such sum or sums of money (including non fund based facilities) from time to time, at their discretion, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregated of the paid-up capital of the Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid up capital of the Company and its free reserves shall not at any time exceed Rs 200 Crores (Rupees Two Hundred Crores only) and that the Board of Directors be and are hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

**RESOLVED FURTHER THAT** the Company do hereby also ratify the total borrowings already availed by the Company and existing on the date of this meeting, although such borrowings exceed the aggregate of the paid-up capital of the Company and its free reserves as stipulated under Section 293(1)(d) / 180(1)(c) and other applicable provisions, if any, of the Companies Act, 1956 or Companies Act, 2013, as the said total borrowings already availed by the Company and existing on the date of this meeting do not exceed the above aggregate limit of Rs. 200 Crores (Rupees Two Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all other acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution on behalf of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

#### 8. Authority to create security under Section 180(1)(a) of the Companies Act, 2013

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

“**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company, and further subject to approval of such authority(ies) as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted / to be constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to mortgage, charge, hypothecate, lien, pledge or otherwise create an encumbrance on the Company’s assets and properties both present and future, whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company, in addition to the mortgages /charges etc. already created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine and consider suitable from time to time, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company and/or any of the Company’s holding / subsidiary / affiliate / associate Company(ies), by way of loans/any other types of borrowings, raised /to be raised, from time to time, subject to the limits of borrowing as approved by the members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013, together with the interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, remuneration of the Agent(s)/Trustees, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s), in respect of the said loans / borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s)and Trustee(s).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised on behalf of the Company to do all acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

#### 9. Adoption of New Articles of Association of the Company

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

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 10. Approval for Related Party Transaction(s)

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

“**RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), amendment

to Clause 49 of the Equity Listing Agreement as proposed by the Securities and Exchange Board of India, the consent of the Members of the Company be and is hereby accorded to enter into related party transactions, as under, over a period of 36 months from the date of this Meeting, on such terms and conditions as may be agreed to/ agreed by the Board:

- (i) To avail loan(s) or enter into any other related party transactions with Jawala Real Estate Pvt. Ltd. ('Jawala'), a related party upto an amount of Rs. 100 Crores (Rupees One Hundred Crores only), outstanding at any point of time.
- (ii) various related party transactions with other related parties of the Company provided aggregate amount of the transaction with Jawala and other related parties do not exceed the amount of Rs. 200 Crores (Rupees Two Hundred Crores only) outstanding at any point of time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

**Registered Office:**

416, Anand Mangal Complex,  
B/H. Omkar House, C. G. Road, Navrangpura,  
Ahmedabad- 380 009

By Order of the Board  
For Roselabs Finance Limited

Sd/-  
Sanjay Gupta  
Company Secretary

**Date: August 14, 2014**

**Place: Mumbai**

**Notes:**

- 1) **A Member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint one or more proxy to attend and vote on a poll, instead of himself / herself and the proxy need not be a member of the Company. A person can act as proxy on behalf of member’s upto and not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies in order to be effective, should be duly completed, stamped and must be deposited at the Registered Office of the Company not less than forty-eight hours before the time for commencement of the Meeting.**
- 2) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
- 3) Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
- 4) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5) Members who hold shares in dematerialised form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
- 6) Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- 7) The register of Members and Share Transfer Books of the Company would remain closed from Friday, September 12, 2014 to Monday, September 15, 2014 (both days inclusive).
- 8) Brief profile of the Directors, proposed to be appointed, as required under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Explanatory Statement, attached to this Notice.
- 9) Register of Director(s) /Key Managerial Personnel(s) and their shareholding, Register of Contracts in which Directors are interested will be available for inspection by the Members at the Meeting.

- 10) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.
- 11) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 4.00 p.m. up to the date of the Meeting.
- 12) Members can avail of the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 72 of the Companies Act, 2013 (erstwhile section 109A of the Companies Act, 1956). Members desiring to avail of this facility may send their nomination in the prescribed Form SH - 13 duly filled in to Link Intime India Private Limited.
- 13) a) Members holding shares in physical mode are requested to intimate to the Company's Registrar & Share Transfer Agents, Link Intime India Private Limited, changes, if any, in their registered addresses at an early date and Members holding shares in dematerialised mode can update the same with their respective Depository Participants  
b) Members are requested to quote their folio numbers / client ID / DP ID in all correspondence.
- 14) Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
- 15) Members are requested to note that the Company's shares are under compulsory Demat trading for all investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience and eliminate risks associated with physical shares and for ease of portfolio management.
- 16) In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the company or as provided by the depository, provided that the company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members whose e-mail ids are already registered. In view of the above, the Company hereby request members who have not updated their email IDs to update the same with their respective Depository Participant(s) or the Link Intime India Private Limited, Registrar and Transfer Agent (R&T) of the Company. Further, Members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the R &T of the Company quoting their folio number(s).
- 17) In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing the facility to its Members holding shares in physical or dematerialized form as on the cut-off date, being Friday, August 15, 2014 (end of day), to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Further, in order to facilitate members who don't have facility to cast their vote electronically, the company is providing ballot form, to enable such members to cast their vote. The detailed instruction along with the ballot forms is being provided along with this notice. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company. Details of the process and manner of e-voting along with the User ID and Password are being sent to all the Members along with the Notice.
- 18) The e-voting period commences on Wednesday, September 10, 2014 (at 9:00 am) and ends on Thursday, September 11, 2014 (at 5:30 pm). During the e-voting period, members' of the Company, holding shares either in physical form or in dematerialized form, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- 19) In case of Members who are entitled to vote but have not exercised their right to vote by electronic means /ballot form, upon poll being demanded, in the larger interest of the Members, the Chairman of the Company may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have already exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall

be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

- 20) Mr. Nilesh Shah, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 21) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 22) The Results shall be declared on or after the AGM of the Company. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company within two (2) days of passing of the resolutions at the AGM of the Company and shall be communicated to the BSE Limited.

#### **Instruction for e-voting**

##### **a) In case of Shareholders' receiving e-mail from NSDL**

- i) Open e-mail and open PDF file viz; "[RFL-evoting.pdf](#)" with your Client ID or Folio Number as Password. The said PDF file contains your User ID and Password for e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL:
- iii) Click on Shareholder - Login
- iv) Put User ID and Password as initial password noted in step (i) above. Click Login.
- v) Please note that login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forget Password' option available on the site to re-set the same.
- vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- viii) Select "EVEN"(E-Voting Event Number) of Roselabs Finance Limited
- ix) Now you are ready for e-Voting as Cast Vote page opens
- x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- xi) Upon confirmation, the message "Vote cast successfully" will be displayed
- xii) Once you have voted on the resolution, you will not be allowed to modify your vote
- xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: [nilesh@ngshah.com](mailto:nilesh@ngshah.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

##### **b) In case of Shareholders' receiving Notice by Post/Courier and desiring to cast e-vote:**

- i) Initial password is provided at the bottom of the Ballot form.
- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) of (a) above, to cast vote.
- c) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- d) If you are already registered with NSDL for e-voting then you can use your existing USER ID and PASSWORD for casting your vote.
- e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).



**ANNEXURE TO NOTICE****Explanatory Statements under section 102(1) of the Companies Act, 2013****ITEM NO. 2.**

In terms of Section 139(1) of the Companies Act, 2013 (the Act), every company shall, at the first Annual General Meeting, appoint an individual or a firm as an Auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting, subject to the ratification by the Members at every Annual General Meeting. However, pursuant to sub-section (2) of Section 139 of the Act read alongwith the Companies (Audit and Auditors) Rules, 2014, an audit firm can be appointed as auditors only for two terms of five consecutive years. M/s. Shanker and Kapani, Chartered Accountants, were appointed as Statutory Auditors on September 30, 2013 and have completed only 1 (one) year as Auditors of the Company and can be further appointed for a period of 9 (nine) years. In view of the foregoing, the Board of Directors of your Company proposes to appoint M/s. Shanker and Kapani, Chartered Accountants, as Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of this Annual General Meeting till the conclusion of sixth consecutive Annual General Meeting, subject to the ratification of the Members by the Company at every Annual General Meeting held thereafter.

The Company has already received a letter from M/s. Shanker and Kapani, Chartered Accountants, giving their consent for being appointed as Statutory Auditors of the Company and confirming their eligibility under section 141 of the Act.

The Board recommends the Resolution as set out at Item No. 2 of the Notice for your approval.

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

**ITEM NO. 3:**

Ms. Purnima Pavle was appointed as an Additional Director on the Board of the Company with effect from October 11, 2013 pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds her office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Ms. Purnima Pavle as Director of the Company.

Ms. Purnima Pavle, aged 40 years, is a Chartered Accountant from the Institute of Chartered Accountants of India and has over 12 years of experience. She has expertise in the field of Accounting and Finance. Prior to joining the Lodha Group, she has worked with Graver & Weil India Ltd and HCC Ltd.

Ms. Pavle holds directorship in Anantnath Constructions and Farms Private Limited, Sarvavasa Buildtech & Farms Private Limited, Proficient Buildwell Private Limited, Siddhnath Residential Paradise Private Limited, Sanathnagar Enterprises Limited and Adinath Builders Private Limited. Ms. Pavle also holds memberships of Audit Committee and chairmanship of Shareholder and Investor Grievance Committee of Sanathnagar Enterprises Limited in accordance with Clause 49 of Listing Agreement. Ms. Pavle does not hold any shares in the Company.

The Board recommends the Resolution as set out at Item No. 3 of the Notice for your approval.

Save and except Ms. Pavle, none of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the resolution.

**ITEM NO. 4**

Mr. Nilesh Rawat was appointed as an Additional Director on the Board of the Company with effect from October 11, 2013 pursuant to the provisions of Section 161 of the Companies Act, 2013. Mr. Rawat was also designated as Managing Director of the Company effective from said date for a period of 3 years. As per the terms of appointment, Mr. Rawat would not be entitled to any remuneration from the Company nor shall be paid any sitting fees for attending the meetings of the Board or any committee thereof, during his tenure as Managing Director of the Company.

Mr. Rawat being Additional Director holds his office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Mr. Rawat as Director of the Company.

It is also proposed to seek approval of the Members of the Company, for appointment of Mr. Rawat as Managing Director of the Company in accordance with the provisions of Sections 196, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Brief terms of Appointment as Managing Director:-**

- a) Tenure:- For a period of 3 (three) years with effect from October 11, 2013
- As per his terms of appointment, he shall not be entitled to any remuneration from the Company and he shall not be paid any sitting fees for attending the Meetings of the Board or any Committee thereof
- b) Notwithstanding anything to the contrary herein contained or implied:-
- i) The Company shall be entitled to terminate his employment at any time after giving 2 (Two) months advance notice, or such other time period as may be mutually agreed, without assigning any reason.
- ii) He shall be entitled to terminate his employment at any time after giving 3 (Three) months advance notice to the Company in writing, without assigning any reason. However, the Company may, if deem fit, relieve him from his duties anytime within the said period of 3 (Three) months
- c) The Agreement between the Company and Mr. Rawat, shall stand terminated forthwith without any payment of any compensation, if he vacates his office as Director or resigns from the office of Director, refuses or neglect to comply with the lawful orders given by the Company or commits breach of Code of Conduct of the Company.
- d) Mr. Rawat shall comply with the directions given by the Board of Directors and shall also observe the Code of Conduct and all other Policies and Regulations framed and/or adopted by the Company from time to time.
- e) Mr. Rawat shall not divulge or make use of any Company's secrets and any other information to any other person and during his terms and for a period of 2 (Two) years following expiry or termination of this Agreement and he shall not directly or indirectly compete with the business or act detrimental to the interest of the Company or poach any person associated with the Company.

Mr. Nilesh Rawat, aged 31 years, is an alumnus of St. Xavier's High School and Bhavans College and holds a degree of Chartered Accountant from the Institute of Chartered Accountants of India. Mr. Rawat has diverse experience in the field of Accounts. Mr. Rawat has expertise in accounting and finance related functions. Mr. Rawat has been associated with the Lodha Group, for more than seven years.

Mr. Rawat holds directorship in Microtec Constructions Private Limited and Manan Finserve Private Limited. He does not hold any shares in the Company.

The Board recommends the Resolution as set out at Item No. 4 of the Notice for your approval.

Save and except Mr. Rawat, none of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the resolution.

Pursuant to the provisions of Section 190 of the Companies Act, 2013, 'Letter of Appointment' setting out the terms of appointment of Mr. Nilesh Rawat is kept at the Registered Office of the Company and would be open for inspection to the Members of the Company.

**ITEM NO. 5**

Mr. Prakash Ganapathi Bhat is a Non-Executive Independent Director on the Board of the Company. Mr. Bhat retires by rotation at this Annual General Meeting under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Bhat being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director on the Board of the Company for a term of 5 years, not liable to retire by rotation.

The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Mr. Prakash Bhat for the office of Independent Director. The Company has received a declaration from Mr. Bhat, declaring that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors,

Mr. Bhat, fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder for his appointment as Independent Director and he is independent of the Management.

Mr. Bhat, aged 55 years, is a Chemical Engineer and has vast experience in the field of manufacturing of Plastic component used in appliance industries. Mr. Bhat is on the Board of ABS Electroplaters (India) Private Limited, Varnada Industries Private Limited, and U2 Electrics Private Limited. Mr. Bhat does not hold any Membership /Chairmanship in any other company in accordance with Clause 49 of Listing Agreement. He does not hold any shares in the Company.

The Board recommends the Resolution as set out at Item No. 5 of the Notice for your approval.

Save and except Mr. Bhat, none of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the resolution.

#### **ITEM NO. 6**

Mr. Santosh Kumar Ojha is a Non-Executive Independent Director on the Board of the Company and joined the Company in the year 2013. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ojha being eligible, is proposed to be appointed as an Independent Director on the Board of the Company, for a term of 5 years, not liable to retire by rotation.

The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000 proposing the candidature of Mr. Santosh Kumar Ojha for the office of Independent Director. The Company has received a declaration from Mr. Ojha, declaring that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, Mr. Ojha, fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder for his appointment as Independent Director and he is independent of the Management.

Mr. Ojha, aged 40 years is B.A. (Hons) and has also obtained Diploma in Systems Management and Post Graduate Diploma in Business Management. Mr. Ojha is in the business of export, import & buying house for foreign companies in India in the field of handicrafts, furniture, carpets and floor carving. Mr. Ojha is on the Board of National Standard (India) Limited, JEMS Airsea Logistics Private Limited and Srishti Extrim Private Limited. Mr. Ojha also hold Membership of Audit Committee and Shareholder and Investor Grievance Committee of National Standard (India) Limited in accordance with Clause 49 of Listing Agreement. He does not hold any shares in the Company.

The Board recommends the Resolution as set out at Item No. 6 of the Notice for your approval.

Save and except Mr. Ojha, none of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the resolution.

#### **ITEM NO. 7 & 8**

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Company, except with the consent of the Members by special resolution, cannot borrow moneys in excess of aggregate of paid-up share capital and free reserves (i.e. reserves not set apart for any specific purpose) other than for availing temporary loans from the Company's bankers in the ordinary course of business. Accordingly, it is proposed to authorize the Directors of the Company to borrow to the extent of Rs. 200 crores (Rupees Two Hundred Crores only) in one or more tranches, for the purpose of the business of the Company.

Further, the company may be required to create mortgage or charge, in general, on all or any of the assets of the Company, in such form and manner, as may be required by the lender(s)/ Trustee(s)/Agent(s) to secure the borrowings of the Company or of its holding, subsidiary, affiliate or associate companies. The creation of mortgage and/or charge on assets of the Company and/or the whole or any part of the undertaking(s) of the Company, would require prior approval of the Members of the Company by special resolution. In view of the foregoing, the Board proposes to seek the approval of the Members of the Company to create security by mortgage or otherwise to the extent of the approval provided by the Members of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013.

The Board recommends the Special Resolutions as set out at Item Nos. 7 & 8 of the Notice for your approval.

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

**ITEM NO. 9:**

The Articles of Association (“AoA”) of the Company as presently in force is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. As the Companies Act, 1956 has now been largely replaced by the new Companies Act, 2013 some of the regulations in the existing AoA are no longer in conformity with the new Act. Hence, the existing AoA of the Company requires alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table ‘F’ of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA shall be available for inspection at the Registered Office of the Company for perusal by the shareholders.

The Board recommends the Special Resolution as set out at Item No. 9 of the Notice for your approval.

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

**ITEM NO. 10:**

Your Company being a Non-Banking Financial Company is in the business of making investment and providing loan. The Company had availed loan of Rs. 19,44,71,978 from Jawala Real Estate Private Limited, a related party, on June 10, 2013, which is repayable on demand. The Company may seek further loans from Jawala Real Estate Private Limited (Jawala) and may also enter into various other transactions with Jawala and other related parties like sharing of common corporate expenditure or providing/ taking guarantee or security and making of investment/loans. The approval of shareholders is required to be obtained for such related party transactions as per amendment to Clause 49 of the Equity Listing Agreement as proposed by the Securities and Exchange Board of India vide its circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 as the proposed transactions will be in excess of limit specified in the said Clause 49.

In view of the foregoing, the Board proposes to seek the approval of the Members of the Company for the said related party transactions as set out in the resolution.

The Board recommends the Special Resolution as set out at Item No. 10 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the resolution other than being a director of some of the related entities.

**Registered Office:**

416, Anand Mangal Complex,  
B/H. Omkar House,  
C. G. Road, Navrangpura,  
Ahmedabad- 380 009

Date: August 14, 2014

Place: Mumbai

By Order of the Board  
For Roselabs Finance Limited

Sd/-  
Sanjay Gupta  
Company Secretary

**IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, by writing a letter to/sending email to Link Intime India Private Limited to this effect.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 20<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Account for the Financial Year ended March 31, 2014.

### 1. FINANCIAL RESULTS & OVERVIEW

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Operating Income	9,320.26	34,792.31
Other Income	8.92	14.42
<b>Total Income</b>	<b>9,329.18</b>	<b>34,806.73</b>
Less: Expenditure	9,690.88	35,098.74
Loss before Tax	(361.70)	(292.01)
Deferred Tax	0.23	0.01
Loss after Tax	(361.47)	(292.00)
Less: Prior period Taxation adjustment	0.98	-
<b>Net Loss for the year</b>	<b>(362.45)</b>	<b>(292.00)</b>
Add: Deficit in the Statement of Profit and Loss for earlier years	(590.53)	(298.53)
Appropriations	-	-
Balance to be carried forward	(952.98)	(590.53)

In the year gone by, your Company recorded total income of Rs.9,329.18 lakhs as compared to Rs. 34,806.73 lakhs reported in previous Financial Year 2013. The aforesaid decrease was primarily due to reduction in volume of business. The total expenditure of the Company also decreased from Rs. 35,098.74 lakhs to Rs.9,690.88 lakhs in the current financial year as compared to last financial year. The decline in Company's total income resulted in increase of the Company's Net loss from Rs. 292.00 lakhs for the previous financial year to Rs. 362.45 lakhs in the current financial year. For details, please refer attached Annual Account and Auditors' Report which are self explanatory.

### 2. DIVIDEND

In view of losses, your Directors regret their inability to declare any dividend for the financial year ended March 31, 2014.

### 3. DIRECTORS

During the year under review, Mr. Anurag Singhvi and Mr. Ramnandanam Pandey ceased to be Directors of the Company with effect from October 11, 2013. Mr. Nilesh Rawat and Ms. Purnima Pavle were appointed as Additional Directors on the Board of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013, with effect from the said date. Mr. Rawat was also appointed as Managing Director of the Company for a period of 3 (Three) years from the aforesaid date.

Mr. Rawat and Ms. Pavle, being Additional Directors, hold their office upto the date of the ensuing Annual General Meeting. The Company has received the notice from the Members of the Company proposing the candidature of Mr. Rawat and Ms. Pavle, as Directors of the Company. Further, it is also proposed to appoint Mr. Santosh Kumar Ojha and Mr. Prakash Ganapathi Bhat, as Independent Director on the Board of the Company for a period of 5 years, pursuant to the provisions of Section 149 of the Companies Act, 2013. Necessary resolutions proposing the appointment of the aforesaid Directors have been incorporated in notice of the ensuing Annual General Meeting.

### 4. HOLDING COMPANY

The Promoter of the Company i.e. Arihant Premises Private Limited holds 74,24,670 equity shares which represents 74.25 percent of the paid-up equity capital of the Company. Your Company continues to be a subsidiary company of Arihant Premises Private Limited, part of Lodha Group.

**5. COMMITTEES OF THE BOARD**

As on date of this report, the Board has two committees:-

- i. Audit Committee
- ii. Stakeholder's Relationship Committee

The above Committees have been duly constituted in accordance with the provisions of Listing Agreement and the Companies Act, 1956 (now Companies Act, 2013). Detailed Information regarding the Committees of the Board has been given separately in the Report on Corporate Governance.

**6. AUDITORS & AUDITORS' REPORT**

M/s. Shanker and Kapani, Chartered Accountants, Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors of the Company, if re-appointed.

The Company has also received a certificate from M/s. Shanker and Kapani under Section 139(1) and Section 141 of the Companies Act, 2013 confirming their eligibility for re-appointment. Accordingly, M/s. Shanker and Kapani, Chartered Accountants, are proposed to be re-appointed at the Annual General Meeting, for a period of five years, subject to the ratification of their appointment by the Members at every Annual General Meeting.

As regards Auditors' observations, they are self explanatory and do not call for any further comments.

**7. PARTICULARS OF EMPLOYEES**

The Company does not have any employee whose particulars are required to be given in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**8. PUBLIC DEPOSITS**

Your company has neither invited nor accepted or renewed any deposit from the public during the financial year under review.

**9. DEPOSITORY SYSTEM**

As the members are aware, the company's Shares are compulsorily tradable in electronic form. As on March 31, 2014, 93.28% of the Company's total paid-up share capital representing 93,27,670 shares are in dematerialized form. Balance 6,72,330 shares representing 6.72% of the Company's total paid-up share capital are held in physical mode.

**10. DISCLOSURES OF PARTICULARS AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

The Particulars are given in Annexure I to this Report.

**11. CORPORATE GOVERNANCE.**

Your Company believes in adhering to good governance practices and has fully complied with the requirements/disclosures that have to be made in this regard. A Report on Corporate Governance, in compliance with Clause 49 of the Listing Agreement, is enclosed and forms part of this Annual Report. A certificate from a Company Secretary in Practise, confirming compliance with the provisions of Corporate Governance is also annexed to this Report.

**12. DIRECTORS RESPONSIBILITY STATEMENT.**

Pursuant to 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) Appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on March 31, 2014 and loss for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.

d) The annual accounts have been prepared on a going concern basis for the financial year ended March 31, 2014.

### 13. ACKNOWLEDGEMENT

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders - Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

#### Registered Office:

416, Anand Mangal Complex,  
B/H. Omkar House,  
C. G. Road, Navrangpura,  
Ahmedabad- 380 009

Date: August 12, 2014  
Place: Mumbai

**By Order of the Board  
For Roselabs Finance Limited**

Sd/-  
Managing Director

Sd/-  
Director

### ANNEXURE I TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014

Particulars as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Financial Year ended March 31, 2014.

#### A. Conservation of Energy

- Energy Conservation measures taken: The operations of your Company are not energy-intensive.
- Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil
- Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Nil
- Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not Applicable.

#### B. Technology Absorption

Research & Development (R & D)

- |  |                |
|--|----------------|
| 1. Areas in which R & D is carried out               | None           |
| 2. Benefits derived as a result of the above efforts | Not Applicable |
| 3. Future plan of action                             | None           |
| 4. Expenditure on R & D                              | Nil            |
| 5. Technology absorption, adaptation and innovation  | None           |
| 6. Imported Technology for the last 5 years          | None           |

#### C. Foreign Exchange Earnings and Outgo

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans - None.

There were no foreign exchange earnings / outgo during the year.

#### Registered Office:

416, Anand Mangal Complex,  
B/H. Omkar House,  
C. G. Road, Navrangpura,  
Ahmedabad- 380 009

Date: August 12, 2014  
Place: Mumbai

**By Order of the Board  
For Roselabs Finance Limited**

Sd/-  
Managing Director

Sd/-  
Director

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Code of Governance

The Company believes that adhering to global standards of corporate governance is essential to enhance shareholders value and to achieve long term corporate goals. The Company's philosophy on Corporate Governance envisages transparency, integrity, accountability and equity for its operations and for interactions with its stakeholders. The Company is committed to ethical conduct of business and manages its affairs with all fairness to stakeholders.

### 2. Board of Directors

#### a) Board Composition & Category

The Company's policy is to maintain an optimum combination of Executive & Non-Executive Directors. The Board presently comprises of 4 directors, including 1 Executive Director and 3 Non-Executive Directors, out of which 2 are Independent Directors. The Chairman of the Board is an Independent Director. The Directors are professionals, having expertise in their respective functional areas and bring wide skills and experience to the Board.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all public limited companies in which they are Directors. As required under Clause 49 of the Listing Agreement, necessary disclosures regarding committee positions have been made by the Directors

Name of the Director	Designation	Category	No. of Directorship in other Companies*	No. of Committee positions held in other Public Companies**	
				Chairman	Member
Mr. Santosh Kumar Ojha (DIN 02494357)	Chairman	Independent Non-Executive Director	3	-	2
Mr. Nilesh Rawat (DIN 06705140)	Managing Director	Executive Director	2	-	-
Mr. Prakash Ganapathi Bhat (DIN 00654992)	Director	Independent Non-Executive Director	3	-	-
Ms. Purnima Pavle (DIN 06705133)	Director	Non-Executive Director	6	1	1

\*The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies and Section 25 Companies.

\*\*In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committee and Shareholders' / Investors' Grievance Committee of Indian Public Companies have been considered.

None of the directors holds any share in the Company. There are no inter se relationships between our Board Members.

#### b) Meetings & Attendance of Directors

During the year under review, the Board met 10 (Ten) times on (i) May 30, 2013; (ii) June 11, 2013; (iii) July 3, 2013; (iv) July 15, 2013; (v) August 14, 2013; (vi) September 24, 2013; (vii) October 31, 2013; (viii) January 9, 2014; (ix) January 27, 2014; (x) March 5, 2014.

As required under the Listing Agreement, at least one board meeting was held in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the participation of Directors at Board Meetings are enumerated as under:



Name of Director	Total no of meetings held during tenure	Total no of meetings attended
Mr. Samyak Veera#	2	0
Mr. Deependra Gupta#	2	2
Mr. Sagar Gawde#	2	2
Mr. Anurag Singhvi*	4	4
Mr. Ramnandanam Pandey*	4	4
Mr. Prakash Bhat	10	6
Mr. Santoshkumar Ojha	10	10
Mr. Nilesh Rawat**	4	4
Ms. Purnima Pavle**	4	4

Note:

#Mr. Samyak Veera resigned from the Board with effect from June 11, 2013

#Mr. Deependra Gupta resigned from the Board with effect from June 11, 2013

#Mr. Sagar Gawde resigned from the Board with effect from June 11, 2013

\* Mr. Ramnandanam Pandey was appointed as the Director of the Company on June 11, 2013 and resigned on October 11, 2013

\* Mr. Anurag Singhvi was appointed as the Director of the Company on June 11, 2013 and resigned on October 11, 2013

\*\* Mr. Nilesh Rawat was appointed as Additional Director & Managing Director on the Board with effect from October 11, 2013

\*\* Ms. Purnima Pavle was appointed as the Director on the Board with effect from October 11, 2013

Other than Mr. Prakash Bhat, none of the Directors were present at the last Annual General Meeting.

### c) Directors seeking appointment / re-appointment

The details of Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49 IV (G) of the Listing Agreement are annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report.

## 3. Committees of Board

Details of the Committees of the Board and other related information are provided hereunder:

### a) Audit Committee

The Company has constituted Audit Committee in accordance with the provisions of Clause 49 of the Listing Agreement read with the provisions of Section 292A of the Companies Act, 1956 (now Section 177 of the Companies Act, 2013). During the year under review, the Audit Committee of the Company was re-constituted on October 11, 2013 by inducting Ms. Purnima Pavle as member.

The broad terms of reference of the Committee inter-alia, includes overseeing company's financial reporting process and disclosure of financial reporting information, recommending appointment and removal of External Auditor, reviewing statements before submission to the Board and other terms as per Clause 49 of Listing Agreement to the extent applicable to the Company.

During the year, 5 (Five) Audit Committee Meetings were held on the following dates:-

(i) April 22, 2013; (ii) May 15, 2013; (iii) August 14, 2013 (iv) October 31, 2013; and (v) January 27, 2014.

The Composition of the Audit Committee as on March 31, 2014 and the details of Meeting attended by its Members are given below:-

Name of Member	Designation	Category	No. of Meeting	
			Held during Tenure	Attended
Mr. Santosh Kumar Ojha	Chairman	Independent Non-Executive Director	5	5
Mr. Prakash Ganapathi Bhat	Member	Independent Non-Executive Director	5	5
Ms. Purnima Pavle	Member	Non-Executive Director	2	2

The Company Secretary of the Company acts as the secretary to the Audit Committee.

#### b) Stakeholder's Relationship Committee

The Company has a Stake Holders Relationship Committee to look into redressal of shareholders/investors grievances pertaining to transfer / dematerialization / rematerialisation of shares, non-receipt of dividend / annual report / notices and any other related matter.

During the year under the review, the Share Transfer Committee of the Company was re-constituted on October 11, 2013 by inducting Ms. Purnima Pavle as member. Further pursuant to Section 178 of the Companies Act, 2013, the Board of Directors at its Meeting held on August 12, 2014, renamed the committee from 'Share Transfer Committee' to 'Stake Holders Relationship Committee'.

The composition of the Committee as on March 31, 2014 and the details of Meeting attended by its members are given below:-

Name of Member	Designation	Category	No. of Meeting	
			Held during Tenure	Attended
Ms. Purnima Pavle	Chairman	Non-Executive Director	1	1
Mr. Prakash Ganapathi Bhat	Member	Independent Non-Executive Director	3	3
Mr. Santosh Kumar Ojha	Member	Independent Non-Executive Director	3	3

Mr. Sanjay Gupta, the Company Secretary of the Company acts as the secretary to the Committee and is also designated as the Compliance Officer responsible for complying with the requirements of Securities Laws and the Listing Agreement entered into with BSE Limited.

#### Investors Grievance Redressal

The number of complaints received and resolved during the year under review (i.e. 2013-2014) and their break-up are as under:

Opening Balance	NIL
Received during the year	NIL
Resolved during the year	NIL
Closing Balance	NIL

#### 4. General Body Meetings

a) The details of the Annual General Meeting (AGM) of the Company held during last three years are as under:-

Year	Venue of the Meeting	Date & Time	Special Resolutions
2012-13	401, Anand Mangal Complex, B/H. Omkar House, C. G. Road, Navrangpura, Ahmedabad – 380009	September 30, 2013 at 1.00 p.m.	Appointment of Mr. Ramnandanam Omprakash Pandey as Managing Director for a period of 3 years w.e.f. July 15, 2013

2011-12	111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad – 380064	September 26, 2012 at 11.00 a.m.	None
2010-11		September 26, 2011 at 11.00 a.m.	Appointment of Mr. Deependra Gupta as Chairman and Managing Director for a period of 5 years w.e.f. September 26, 2011

Resolutions were passed by majority (by way of show of hands) at the above AGMs and none of the Resolutions were passed by way of Poll.

- b) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing AGM needs to be passed by Postal Ballot.
- c) No Extra-ordinary General Meeting (EGM) was held in last three years

## 5. Disclosure Requirement

- a) The details of related party transactions have been presented in Note no. 24 to Annual Accounts of Annual Report.
- b) During the financial year 2013-14, there were no material significant Related Party transactions that may have potential conflict with interests of Company at large.
- c) The Company was not subject to any non-compliance and no penalties or strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory or other authority on any matters relating to capital markets, during the last three years.
- d) The Board of Directors has adopted a code of conduct which lays down various principles of ethics and compliance. The Code has been circulated to all the senior management personnel and directors and has been posted on the website of the Company. Pursuant to the disclosure made by them under the aforesaid code there were no material, financial and commercial transactions undertaken by them, which could have potential conflict with the interest of the Company at large. A declaration to this effect by the Managing Director forms part of this report.
- e) None of the Directors were paid any remuneration during the financial year 2013-14.
- f) The code of conduct adopted by the Company provides the mechanism to report about unethical behavior, actual or suspected fraud or violation of code and everybody has access to the audit committee.

Other than above, the Company has not adopted any non mandatory requirements of Corporate Governance during the year under review.

## 6. Means of Communication

The quarterly, half yearly and annual results are posted on the website of the Company [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in) and are also sent to the Stock Exchanges, where the shares of the Company are listed. The results are also published in Financial Express and Gandhi Nagar Western Time. The Company has designated exclusive email ID viz. [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com) for investor servicing.

Management Discussion and Analysis Statement is a part of the Company's Annual Report.

## 7. General Shareholder Information

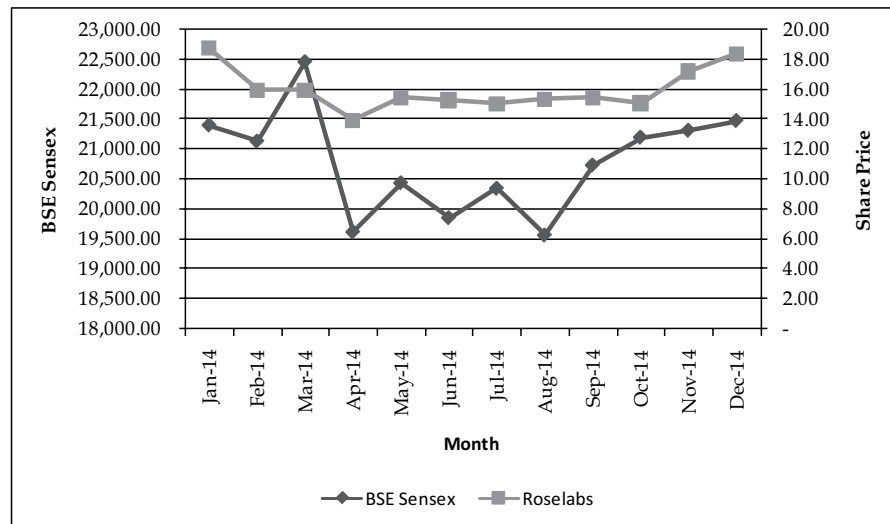
- a) Company Registration Details : The Company is registered in the state of Gujarat, India.  
The Corporate Identification Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L67120GJ1995PLC024070.
- b) Annual General Meeting :  
Day / date : Monday, September 15, 2014  
Time : 12.30 p.m.  
Venue : 416, Anand Mangal Complex I, Behind Omkar House, C. G. Road, Navrangpura, Ahmedabad – 380 009
- c) Financial Year : April 1, 2013 to March 31, 2014

## ROSELABS FINANCE LIMITED

- d) Book Closure Period : The Register of Members and Transfer Books will remain closed from Friday, September 12, 2014 to Monday, September 15, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company
- e) Dividend Payment Date : No Dividend on equity shares is being recommended by the Board of Directors of the Company.
- f) Listing on Stock Exchange : BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001.
- Listing fees have been paid before April 30, 2014
- g) Scrip Code : BSE Scrip Code : 531324
- h) Market Price Data: High, low during each month in last financial year

Month	High	Low
April - 2013	14.00	13.00
May - 2013	15.50	12.50
June - 2013	15.31	10.63
July - 2013	15.10	11.95
August - 2013	15.39	11.50
September - 2013	15.50	12.90
October - 2013	15.12	12.51
November - 2013	17.21	14.25
December - 2013	18.40	14.11
January - 2014	18.75	14.10
February - 2014	16.00	14.15
March - 2014	16.00	14.10

- i) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index, etc.



- j) Registrar and Share transfer agent : Link Intime India Private Limited  
C- 13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup, Mumbai- 400 078  
Tel No: +91-22-2596 3838  
Fax No: +91-22-2596 0329  
Email Id: rnt.helpdesk@linkintime.co.in

- k) Share Transfer System : Share Transfers, which are received in physical form, are processed and the share certificate are returned within a Period of 15 days, subject to the documents being valid and complete in all respects.

- l) Distribution of shareholding as on March 31, 2014

Shareholding of Shares	Number of Shares	% of total	Shares Amount	% of total
1 - 500	765	67.76	214977	2.15
501 - 1000	203	17.98	170171	1.70
1001 - 2000	64	5.67	98364	0.98
2001 - 3000	20	1.77	49794	0.50
3001 - 4000	13	1.15	47200	0.47
4001 - 5000	10	0.89	47270	0.47
5001 – 10000	20	1.77	143130	1.43
10001 and above	34	3.01	9229094	92.29
<b>Total</b>	<b>1129</b>	<b>100.00</b>	<b>10000000</b>	<b>100.00</b>

- m) Shareholding pattern as on March 31, 2014

Sr.No	Category	No. of shares held	% of shareholding
1.	Indian/Public	1480911	14.81
2.	NRIs/OCB	Nil	Nil
3.	Mutual Funds and UTI	Nil	Nil
4.	Banks, Financial Institutions, Insurance Companies, (Central Institutions)	Nil	Nil
5.	Other Bodies Corporate	1079128	10.79
6.	Corporate Bodies (Promoter Co)	7424670	74.25
7.	Clearing Member	15291	0.15
	<b>Total</b>	<b>10000000</b>	<b>100.00</b>

- n) Dematerialization of shares and Liquidity : The shares of the Company are compulsory traded in electronic mode and are available for trading with both the depositories in India, viz. National Securities Depositories Limited and Central Depositories Services (India) Limited.  
On March 31, 2014, all the equity shares of the Company are held in dematerialized mode, except 6,72,330 which are held in physical mode.
- o) Unclaimed shares lying in Demat Suspense Account : SEBI vide its circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 amended the listing agreement, requiring Companies to credit the unclaimed shares, arising out of public issue, which could not be allotted to the rightful shareholder, to a separate demat account.  
As on March 31, 2014, there are no shares of the Company which are unclaimed.
- p) Transfer to Investor Education and Protection Fund : As on March 31, 2014, there is no amount outstanding for being transferred to Investor Education and Protection Fund.
- q) Outstanding GDRs / ADRs / Warrants / Convertible Instruments : None
- r) Plant Address : The Company does not have any manufacturing plant
- s) Address for correspondence : Registered Office:-  
416, Anand Mangal Complex ,  
B/H. Omkar House, C. G. Road, Navrangpura,  
Ahmedabad- 380 009

- : Corporate Office:-  
Lodha Excelus, 10<sup>th</sup> Floor, Company Secretariat,  
Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi,  
Mumbai – 400011.  
Tel No: +91-22-6133 4600  
Fax No: +91-22-2302 4550  
Website: [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in)  
Email Id: [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com)
- : Registrar and Transfer Agent  
Link Intime India Private Limited  
C- 13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup, Mumbai- 400 078  
Tel No: +91-22-2596 3838  
Fax No: +91-22-2596 0329  
Email Id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**8. Compliance Certificate**

Certificate conforming compliance with the conditions of corporate governance as stipulated under Clause 49 of Listing Agreement, forms part of Annual Report.

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**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FROM BOARD OF DIRECTORS  
AND SENIOR MANAGEMENT PERSONNEL:**

To,  
The Members of  
Roselabs Finance Limited

I, Nilesh Rawat, hereby certify that all the Board Members and Senior Management Personnels of the company have affirmed their compliance with the code of conduct in accordance with Clause – 49 (I)(D) of the Listing Agreement entered into with the Stock Exchange.

**For and on behalf of the Board of Directors**

**Sd/-  
Nilesh Rawat  
Managing Director**

**Mumbai, August 12, 2014**

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**Report on Corporate Governance**

To,  
The Members of  
Roselabs Finance Limited

I have examined the available records of Roselabs Finance Limited (“Company”) for the purpose of certifying compliance of conditions of Corporate Governance by the Company, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India for the financial year ended 31<sup>st</sup> March, 2014.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-referred Listing Agreement.

**Sd/-  
Jinal Shah  
Company Secretary in Practise  
ACS. 20255, CP No. 9830**

Mumbai, August 12, 2014

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### GLOBAL ECONOMIC REVIEW

Developing countries are in the grip of slow growth of economy and growth remains below 5 percent. On the contrary, recovery in high-income countries is gaining momentum, despite first quarter weakness in the United States. The world economies are expected to grow moderately in 2014.

### INDIA'S ECONOMIC REVIEW

The Indian economy grew at a rate of 4.7% during the financial year 2013-14, being the second successive year of below 5% growth. The economic downfall of recent years appears to have paused, and post elections, with a stable government at the centre the growth is expected to be revived, as business confidence improves. Going ahead, India's key macroeconomic fundamentals look robust and GDP growth in FY 2014-15 is expected to inch upward by 5.5% on improved performance in industry and services.

### INDIA'S NBFC INDUSTRY OVERVIEW

The Non-Banking Financial Companies (NBFCs) of India is integral to the financial framework of the Country and has been instrumental in driving the country's inclusive growth. The persistent challenges in the operating environment resulted in higher delinquency levels for the NBFCs. (Source: ICRA).

### OUTLOOK

The outlook for 2014-15 looks more positive as compared to its previous year, as both business and consumer sentiments have shown the sign of regaining faith and confidence in the market. The global economy is expected to pick up speed in the calendar year 2014 as the year progresses. Overall, there is a need for consistent vigilance on the part of global policy makers to build resilience against financial vulnerabilities.

### OPPORTUNITIES

**Stock Market:** There is an overall improvement in sentiments of investors. The same is reflected in increased inflow of funds from Foreign Institutional Investors in Indian stock market.

### CHALLENGES

Exit from investments in risky assets created by loose monetary policies of developed economies pose risk to global markets. IIP (Index of Industrial Production) numbers continue to show dismal performance. Both these factors coupled with weak monsoon in many parts of the country may dampen the growth of economy.

### SEGMENT REVIEW

Trading in Equities, Debentures and Derivatives, constituted major contributor to the top line. However due to sluggish market conditions company incurred losses during the year 2013-14.

### OPERATIONAL REVIEW

The Companies revenue from operations for the financial year 2013-14 was Rs. 93.29 Crores as compared to Rs. 348.07 Crores during Financial Year 2012-13. This was mainly due to decline in buying and selling of debentures as there was lesser number of attractive opportunities in the current year under review.

**HUMAN RESOURCES**

The Company believes that people are the most valued assets and at the same time, we have remained focused on effectiveness of resources. In pursuit to retain and develop the talent, senior management is provided with opportunity for active learning and development. There are no significant developments in Human Resources of the Company.

**RISK MANAGEMENT & INTERNAL CONTROL SYSTEM**

Risk management is integrated seamlessly into business strategy. The objective of our risk management process is to insulate the Company from risks associated with the business while simultaneously creating an environment conducive for its growth. The Company's well-defined structure, documented policies and Standard Operating Procedures (SOPs) alongwith well qualified internal controls teams ensure efficiency of operations, compliance and regulatory requirements. The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business and the size of our operations.

**CAUTIONARY STATEMENT**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations based on certain assumptions and expectations. The Company cannot guarantee that these assumptions and expectations are accurate and the actual results may vary significantly from the forward looking statements, due to various risks and uncertainties. The Company does not undertake to update these statements.



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF M/s. ROSELABS FINANCE LIMITED

We have audited the accompanying financial statements of **M/s. ROSELABS FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956 ("the Act") (which continued to be applicable in respect of Section 133 of The Companies Act, 2013 in terms of general circular 15/2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITORS' RESPONSIBILITY:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **SHANKER AND KAPANI**  
Chartered Accountants  
FIRM REGISTRATION No.: 117761W

**K. G. SHANKER**  
PARTNER  
MEMBERSHIP NO.: 36705

Place : MUMBAI  
Date : 29<sup>th</sup> APRIL, 2014

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT****(REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE)**

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.  
b) As informed to us, all fixed assets have been physically verified by the management. No material discrepancies were noticed on such physical verification.  
c) No fixed assets have been disposed off by the Company during the year.
2. a) The inventory (securities) which are held in dematerialized form has been verified by the management with reference to D'Mat statement. In our opinion, the frequency of verification is reasonable.  
b) The procedures for verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
c) The Company has maintained proper records of inventories and no discrepancies were noticed on verification of inventories in dematerialized form as compared to book records.
3. As Company has neither granted nor taken any loan, secured or unsecured, to or from companies, firm or other parties covered under registered maintained under Section 301 of the Act, the provision of clause (iii) of paragraph 4 of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the internal control system is commensurate with the size of the Company and the nature of its business in respect of purchase of fixed assets and inventories and for the sale of goods (securities). During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. a) According to the information and explanations given to us, the Company has entered the required particulars of contracts or arrangement in the register maintained as referred to in Section 301 of the Act.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements, exceeding the value of Rs. 5,00,000 in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. As the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under, the provision of clause (vi) of paragraph 4 of the Order is not applicable to the Company.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the Central Government of India has not prescribed maintenance of cost records under Section 209(1) (d) of the Act for any of the products of the Company. Therefore, the provision of clause (viii) of paragraph 4 of the Order is not applicable to the Company.
9. a) The Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Wealth Tax, Income Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with appropriate authorities.  
According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months as at 31st March, 2014 from the date they became payable.  
b) According to the records of the Company, there are no dues in respect of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
10. The Company accumulated losses exceeds fifty percent of its net worth at the end of the financial year and has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. As the Company has not borrowed any money from Bank or Financial Institution or issued any debentures, the provision of clause (xi) of paragraph 4 of the Order is not applicable to the Company.
12. As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the provision of clause (xii) of paragraph 4 of the Order is not applicable to the Company.
13. As the Company is not a chit fund or a nidhi / mutual benefit fund/society, the provision of clause (xiii) of paragraph 4 of the Order is not applicable to the Company.

14. The Company has maintained proper records of transactions and contracts in respect of dealings in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
15. As the Company has not given any guarantee or security for loan taken by others from banks or financial institutions, the provision of clause (xv) of paragraph 4 of the Order is not applicable to the Company.
16. As the Company has not obtained any term loan, the provision of clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, the funds raised on short term basis have not been used for long term investment.
18. As the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, the provision of clause (xviii) of paragraph 4 of the Order is not applicable to the Company.
19. As the Company has not issued any secured debentures, the provision of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
20. As the Company has not raised any money through public issue, the provision of clause (xx) of paragraph 4 of the Order is not applicable to the Company.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SHANKER AND KAPANI**  
Chartered Accountants  
FIRM REGISTRATION No.: 117761W

PLACE : MUMBAI  
DATE : 29<sup>th</sup> APRIL, 2014

**K. G. SHANKER**  
PARTNER  
MEMBERSHIP NO.: 036705

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Notes	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2013 ₹ in Lakhs
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,000.00	1,000.00
Reserves and Surplus	3	(947.71)	(585.26)
		<u>52.29</u>	<u>414.74</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	4	-	0.23
Long Term Provisions	5	2.35	-
		<u>2.35</u>	<u>0.23</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	2,158.32	7,921.31
Trade Payables	7	11.79	11.10
Other Current Liabilities	8	367.74	10.66
		<u>2,537.85</u>	<u>7,943.07</u>
	<b>TOTAL</b>	<b><u>2,592.49</u></b>	<b><u>8,358.04</u></b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Fixed Assets (Net)			
Tangible Assets	9	1.14	1.75
Long-Term Loans and Advances	10	1,014.71	1,090.66
		<u>1,015.85</u>	<u>1,092.41</u>
<b>Current Assets</b>			
Current Investments	11	10.11	10.11
Inventories	12	767.78	6,219.62
Trade Receivables	13	8.10	-
Cash and Bank Balances	14	11.83	411.09
Short-Term Loans and Advances	15	634.40	622.39
Other Current Assets	16	144.42	2.42
		<u>1,576.64</u>	<u>7,265.63</u>
	<b>TOTAL</b>	<b><u>2,592.49</u></b>	<b><u>8,358.04</u></b>
<b>Summary of Significant Accounting Policies</b>	1		
<b>The accompanying notes form an integral part of the financial statements</b>	1-25		

As per our attached Report of even date  
For SHANKER AND KAPANI  
Chartered Accountants  
Firm Registration No. : 117761W

For and on behalf of the Board

K. G. Shanker  
Partner

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

Place : Mumbai  
Date: 29th April, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	For the Year Ended 31st March, 2014 ₹ in Lakhs	For the Year Ended 31st March, 2013 ₹ in Lakhs
<b>Revenue</b>			
Revenue from Operations	17	9,320.26	34,792.31
Other Income	18	8.92	14.42
<b>Total</b>		<b>9,329.18</b>	<b>34,806.73</b>
<b>Expenses</b>			
Purchase of Stock-in-Trade	19	3,825.11	39,521.90
(Increase) / Decrease in Stock-in-trade	20	5,451.85	(5,061.92)
Employee Benefits Expense	21	4.59	-
Finance Costs	22	363.88	567.33
Depreciation and Amortization Expense	9	0.61	0.66
Other Expenses	23	44.84	70.77
<b>Total</b>		<b>9,690.88</b>	<b>35,098.74</b>
<b>Loss Before Tax</b>		<b>(361.70)</b>	<b>(292.01)</b>
<b>Tax Expense</b>			
Deferred Tax		0.23	0.01
<b>Loss After Tax</b>		<b>(361.47)</b>	<b>(292.00)</b>
Prior Period Taxation Adjustments		(0.98)	-
<b>Net Loss for the year</b>		<b>(362.45)</b>	<b>(292.00)</b>
<b>Earnings per Equity Share in ₹:</b>			
(Face Value of ₹10 per Equity Share)			
Basic and Diluted		(3.62)	(2.92)
<b>Summary of Significant Accounting Policies</b>	1		
<b>The accompanying notes form an integral part of the financial statements</b>	1-25		

As per our attached Report of even date  
For SHANKER AND KAPANI  
Chartered Accountants  
Firm Registration No. : 117761W

For and on behalf of the Board

K. G. Shanker  
Partner

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

Place : Mumbai  
Date: 29th April, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the Year Ended 31st March, 2014 ₹ in Lakhs	For the Year Ended 31st March, 2013 ₹ in Lakhs
<b>Cash flow from Operating Activities</b>		
Loss before tax	(361.70)	(292.01)
Adjustments for:		
Depreciation and Amortization Expense	0.61	0.66
Sundry Balances no longer required written back (net)	(0.21)	-
Irrecoverable balances written off (net)	-	0.05
Contingent Provisions against Standard Assets	2.35	-
Interest Income	(8.71)	(14.42)
Finance Costs	175.00	369.00
<b>Operating Profit /(Loss) before working capital changes</b>	<b>(192.66)</b>	<b>63.28</b>
Increase in Trade Receivables	(8.10)	-
(Increase) / Decrease in Loans and Advances	5,378.52	(2,426.33)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	182.98	(23.05)
<b>Cash generated from / (used in) Operations</b>	<b>5,360.74</b>	<b>(2,386.10)</b>
Income tax paid	(5.72)	(46.59)
<b>Net Cash flow from / (Used in) Operating Activities</b>	<b>5,355.02</b>	<b>(2,432.69)</b>
<b>Cash flow from Investing Activities</b>		
Sale of Fixed Assets	-	(0.77)
Purchase of Investments	-	(10.01)
Divestment in Fixed Deposits	252.98	(252.97)
Interest Received	8.71	14.42
<b>Net cash flow from /(Used in) Investing Activities</b>	<b>261.69</b>	<b>(249.33)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from Borrowings	1,858.32	3,104.19
Repayment of Borrowings	(7,621.31)	-
Finance Costs Paid	-	(369.00)
<b>Cash flow from /(Used in) Financing activities</b>	<b>(5,762.99)</b>	<b>2,735.19</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(146.28)</b>	<b>53.17</b>
<b>Add: Cash and Cash Equivalents at the beginning of the year</b>	<b>158.11</b>	<b>104.94</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>11.83</b>	<b>158.11</b>
<b>Reconciliation of Cash and Bank Balances given in Note 14 is as follows :</b>		
Cash and Bank Balances	11.83	411.09
Less : Fixed Deposits with less than 3 months maturity	-	252.98
<b>Cash and Cash Equivalents at the end of the year</b>	<b>11.83</b>	<b>158.11</b>

Note: Previous year's figures have been regrouped / rearranged wherever necessary to conform to this year's classification.

As per our attached Report of even date For and on behalf of the Board

For SHANKER AND KAPANI

Chartered Accountants

Firm Registration No. : 117761W

K. G. Shanker  
Partner

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

Place : Mumbai

Date: 29th April, 2014

## Summary of Significant Accounting Policies

### Note: 1

#### a Basis of Accounting :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006, read with general circular 15/2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the Provisions of the Companies Act, 1956 and 2013 and on the accounting principle of going concern. Expenses and Income to the extent considered payable and receivable, respectively, are accounted for on accrual basis, except those with significant uncertainties.

#### b Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates are made to the best of the management's knowledge considering all necessary information. Differences, if any, between actual results and estimates are recognized in the period in which the results are ascertained.

#### c Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operative expenses and interest in case of construction.

The carrying amount of cash generating units / asset is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated at the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

#### d Depreciation:

Depreciation on Fixed Assets is provided on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation on Additions / Deletions of assets during the year is provided on a pro-rata basis.

#### e Investments :

Investments are classified into long term and current investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each Long Term investment is made to recognize a decline, other than of temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

#### f Inventories :

Valuation of stock in trade of Shares is carried out at lower of its cost and quoted market price, computed scriptwise. Cost is ascertained on First-in-First-out basis

#### g Equity Derivative Transactions :

Profit / (Loss) in respect of Equity / Index Futures / Options are accounted in the Statement of Profit and Loss on the expiry of the respective contract or on the same being squared - off In case of unsettled contracts as at the Balance Sheet date, mark to market difference is recognised in the case of losses and ignored in case of profits, considering conservative principal.

**h Revenue Recognition :**

Revenue on accounts of sale of shares is recognised upon transfer of significant risk and rewards to the buyers.

Revenue from interest income is recognised using the time proportion method based on the rate implicit in the transaction.

**i Employee Benefit:**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits:

**i) Earned Leave**

Provision for leave encashment is made on the basis of eligible leave balances as on Balance Sheet date. An employee can avail accumulated leave at any time during the subsequent year, however, the Company has no scheme for encashment of the leave.

**ii) Other Short Term Benefits**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**j Borrowing Costs :**

Borrowing costs that are directly attributable to long term project development activities are inventorised as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs are inventorised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Inventorisation of Borrowing costs are suspended once development work on the project is interrupted for extended periods.

**k Leases :**

Lease arrangements where the risks and rewards incidental to ownership of assets substantially vest with the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**l Taxation :**

Provision for the current Income Tax is made on the basis of the estimated taxable income for the current accounting year in accordance with Income Tax Act, 1961.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period. Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**m Provisions and Contingent Liabilities :**

Provisions are recognised in the accounts in respect of present probable obligation, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.



## NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

₹ in Lakhs

	As at 31st March, 2014		As at 31st March, 2013	
	Numbers	Amount	Numbers	Amount
<b>Note : 2</b>				
<b>Share Capital</b>				
<b>(a) Authorised</b>				
Equity Shares of ₹ 10 each	11,000,000	<u>1,100.00</u>	11,000,000	<u>1,100.00</u>
<b>(b) Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	10,000,000	<u>1,000.00</u>	10,000,000	<u>1,000.00</u>
		<u><b>1,000.00</b></u>		<u><b>1,000.00</b></u>
<b>(c) Reconciliation of Number of Shares and Amount :</b>				
Equity Shares of ₹ 10 each				
As per last Financial Statement	10,000,000	1,000.00	10,000,000	1,000.00
Add : Changes during the year	-	-	-	-
	<u><b>10,000,000</b></u>	<u><b>1,000.00</b></u>	<u><b>10,000,000</b></u>	<u><b>1,000.00</b></u>

**(d) Right and Preferences of Equity Share holders**

Each shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders.

In the event of liquidation by the Company, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the Company, after distribution of all preferential amounts.

<b>(e) Shares held by and Shareholder holding more than 5%</b>	<b>Number of shares</b>	<b>% of Holding</b>	<b>Number of shares</b>	<b>% of Holding</b>
<b>Equity Shares</b>				
i) Poonam Fast Foods Private Limited, the holding Company	-	-	5,764,181	57.64%
ii) Arihant Premises Private Limited, the holding Company	<u>7,424,670</u>	<u>74.25%</u>	<u>-</u>	<u>-</u>
	<u><b>7,424,670</b></u>	<u><b>74.25%</b></u>	<u><b>5,764,181</b></u>	<u><b>57.64%</b></u>

₹ in Lakhs

	As at 31st March, 2014	As at 31st March, 2013
	<b>Note : 3</b>	
<b>Reserves and Surplus</b>		
<b>a) Statutory Reserve</b>		
(As per Section 45-IC of Reserve Bank of India Act, 1934 *)		
As per last Financial Statement	<u>5.27</u>	<u>5.27</u>
	<u>5.27</u>	<u>5.27</u>
<b>b) Deficit in the Statement of Profit and Loss</b>		
As per last Financial Statement	(590.53)	(298.53)
Add: Loss as per the annexed Statement of Profit and Loss	<u>(362.45)</u>	<u>(292.00)</u>
	<u>(952.98)</u>	<u>(590.53)</u>
<b>Total (a + b)</b>	<u><b>(947.71)</b></u>	<u><b>(585.26)</b></u>

\* 20% of Net Profit After Tax is transferred from Statement of Profit and Loss to Reserve Fund as required by Section 45-IC of the Reserve Bank of India Act, 1934.

**Note : 4****Deferred Tax Liabilities**

Difference between Book and Tax Depreciation on Fixed Assets	-	0.23
	<u>-</u>	<u><b>0.23</b></u>

## NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

₹ in Lakhs

	As at 31st March, 2014	As at 31st March, 2013
<b>Note : 5</b>		
<b>Long Term Provisions</b>		
Contingent Provisions against Standard Assets *	2.35	-
	<b>2.35</b>	<b>-</b>

\* The Company has made a provision of 0.25% on Standard Assets as required by the Reserve Bank of India guidelines.

**Note : 6****Short-Term Borrowings****A Unsecured**

i) From Related Parties	1,858.32	-
Repayable on demand		
Rate of Interest - 10% to 12% (Previous year - NA)		
(Refer clause 2 (B) of Note no. 24)		
ii) Other Body Corporate	300.00	7,921.31
Repayable on demand		
Rate of Interest - 14% (Previous year 12% to 18%)		
	<b>2,158.32</b>	<b>7,921.31</b>

**Note : 7****Trade Payables**

Trade Payables	11.79	11.10
	<b>11.79</b>	<b>11.10</b>

Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

**Note : 8****Other Current Liabilities**

Interest accrued but not due on borrowings	358.58	-
Other Payables		
Duties and Taxes	5.71	5.79
Other Liabilities	3.45	4.87
	<b>367.74</b>	<b>10.66</b>

## NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

**Note : 9****Fixed Assets**

(₹ in Lakhs)

Particulars	Gross Block ( At cost )				Depreciation / Amortization				Net Block	
	As at 1-Apr-13	Additions	Disposal/ Adjustments	As at 31-Mar-14	Upto 31-Mar-13	For the year	Disposal/ Adjustments	Upto 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Tangible Assets:										
Office Equipment	0.52	-	-	0.52	0.20	0.04	-	0.24	0.28	0.32
Computer	4.96	-	-	4.96	3.53	0.57	-	4.10	0.86	1.43
<b>Total</b>	<b>5.48</b>	<b>-</b>	<b>-</b>	<b>5.48</b>	<b>3.73</b>	<b>0.61</b>	<b>-</b>	<b>4.34</b>	<b>1.14</b>	<b>1.75</b>
Previous Year	4.72	0.77	-	5.48	3.07	0.66	-	3.73	1.75	

₹ in Lakhs

<b>As at</b>	<b>As at</b>
<b>31st March, 2014</b>	<b>31st March, 2013</b>

**Note : 10****Long-Term Loans and Advances**

(Unsecured, Considered good)

Loans to Body Corporates and Others	939.57	1,020.26
Income Tax Payments	75.14	70.40
(Net of Income tax provision of ₹ 1.06 Lakhs; Previous Year ₹ 1.06 Lakhs)		
	<b>1,014.71</b>	<b>1,090.66</b>

**Note : 11****Current Investments (at lower of Cost or Fair Value)**

Trade, Unquoted, Fully paid	Units	Face Value ( in ₹ )		
In Mutual Funds				
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	114	10	0.11	0.11
	(114)			
Union Kbc Capital Protection Orient	100,000 (100,000)	10	10.00	10.00
			<b>10.11</b>	<b>10.11</b>

**Note : 12****Inventories**

(At lower of Cost and Net Realizable Value)

Stock in Trade		
Shares	767.78	1,421.77
Debentures	-	4,797.85
	<b>767.78</b>	<b>6,219.62</b>

## NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

₹ in Lakhs

	As at 31st March, 2014	As at 31st March, 2013
<b>Note : 13</b>		
<b>Trade Receivables</b>		
(Unsecured, Considered good)		
Outstanding for a period less than six months from the date they became due for payment	8.10	-
	<u>8.10</u>	<u>-</u>
<b>Note : 14</b>		
<b>Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Balance with Bank	11.79	148.85
Fixed Deposits with less than 3 months maturity	-	252.98
Cash on hand	0.04	9.26
	<u>11.83</u>	<u>411.09</u>
<b>Note : 15</b>		
<b>Short-Term Loans and Advances</b>		
(Unsecured, Considered good)		
Loans and advances		
Margin Money against Equity Derivative Transactions	330.50	135.79
Others	-	182.70
Deposits	303.90	303.90
	<u>634.40</u>	<u>622.39</u>
<b>Note : 16</b>		
<b>Other Current Assets</b>		
Interest Receivables	144.42	2.42
	<u>144.42</u>	<u>2.42</u>

## NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

₹ in Lakhs

	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
<b>Note : 17</b>		
<b>Revenue from Operations</b>		
Sale of Shares	4,116.17	400.31
Sale of Debentures	4,857.29	34,135.73
Profit/(Loss) on Equity / Currency Derivatives Trading	127.09	(245.76)
Dividend Income	27.56	10.93
Income from Share Lending	8.26	-
Interest Income - on Loans and Others	174.89	491.10
Other Operating Income	9.00	-
	<u>9,320.26</u>	<u>34,792.31</u>
<b>Note : 18</b>		
<b>Other Income</b>		
Interest Income - on Bank Fixed Deposits	8.71	14.42
Sundry Balances no longer required written back (net)	0.21	-
Dividend Income - Current Investments	0.00	-
(Current Year ₹ 246; Previous Year Nil)		
	<u>8.92</u>	<u>14.42</u>
<b>Note : 19</b>		
<b>Purchase of Stock-in-Trade</b>		
Equity Shares	3,778.41	1,595.16
Debentures	46.70	37,926.74
	<u>3,825.11</u>	<u>39,521.90</u>
<b>Note : 20</b>		
<b>(Increase) / Decrease in Stock-in-trade</b>		
Opening stock		
Shares	1,421.78	1,157.71
Debentures	4,797.85	-
Less: Closing Stock		
Shares	(767.78)	(1,421.78)
Debentures	-	(4,797.85)
	<u>5,451.85</u>	<u>(5,061.92)</u>

## NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

₹ in Lakhs

	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
<b>Note : 21</b>		
<b>Employee Benefits Expense</b>		
Salaries and Wages	4.59	-
	<b>4.59</b>	<b>-</b>
<b>Note : 22</b>		
<b>Finance Costs</b>		
Interest Expense on:		
Borrowings and Others	363.88	567.33
Income Tax (Current Year Nil, Previous Year ₹ 454)	-	0.00
	<b>363.88</b>	<b>567.33</b>
<b>Note : 23</b>		
<b>Other Expenses</b>		
Rent	16.45	26.18
Rates and Taxes	0.60	1.36
Insurance	0.03	0.03
Travelling and Conveyance	-	0.46
Printing and Stationery	0.38	0.14
Postage / Telephone / Internet	0.12	0.06
Legal and Professional	3.45	0.02
Payments to the Auditors (excluding Service Tax) as:		
Audit Fees	3.26	1.60
Other Services	-	0.17
Advertising / Consultancy / Exhibitions	1.20	2.36
Consultancy Charges	- 10.30	
Brokerage	-	0.56
Sales Promotion	-	1.37
Contingent Provisions against Standard Assets	2.35	-
Irrecoverable Balances Written Off (net)	-	0.05
Miscellaneous Expenses	17.00	26.11
	<b>44.84</b>	<b>70.77</b>

**Note 24****Other Notes on Accounts****1 Segment Reporting :**

The Company has identified two reportable segments viz. Trading in Securities and Financing Activity in the previous year. These segments have been identified and reported taking into account nature of product and services, the different risks and returns and internal business reporting system. The accounting policies adopted for segment reporting are in line with accounting policy of the Company with additional policies for segment reporting :

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and are not allocable to a segment on reasonable basis have been considered and disclosed as unallocable.
- Segment assets and liabilities represents assets and liabilities in respective segments. Investment, tax related Assets and other Assets and Liabilities that cannot be allocated to a segment on reasonable basis have been considered and disclosed as unallocable.

(₹ in Lakhs)

<b>Nature of Transactions</b>	<b>Trading in Securities</b>	<b>Financing Activity</b>	<b>Total</b>
Segment Revenue	9,136.37	174.89	9,311.26
	(34,301.22)	(491.10)	(34,792.32)
Segment Results	(140.59)	(16.34)	(156.93)
	(170.95)	(-36.95)	(134.00)
Less : Unallocated Expenses net of Unallocated Income			(29.77)
			(-57.01)
Operating Profit			(186.70)
			(76.99)
Less : Finance Costs			(175.00)
			(-369.00)
Loss Before Taxes			(361.70)
			(-292.01)
Less : Tax Expenses ( including prior period Adjustment)			(0.75)
			(-0.01)
Net Loss for the year			(362.45)
			(-292.00)
Segment Assets	1,402.17	1,094.10	2,496.27
	(6,659.32)	(1,215.49)	(7,874.81)
Unallocated Assets			96.22
			(483.24)
Total Assets			2,592.49
			(8,358.04)
Segment Liabilities	-	1,092.85	1,092.85
	(-)	(1,214.00)	(1,214.00)
Unallocated Liabilities			1,445.95
			(6,729.31)
Total Liabilities			2,538.80
			(7,943.31)
Unallocated Capital Expenditure incurred during the year			-
			(-)
Depreciation and Amortisation	-	-	-
	(-)	(-)	(-)
Unallocated depreciation and amortisation			0.61
			(0.66)

2 The information as required by Accounting Standard 18 relating to 'Related Party Disclosures' is given below:

**A. List of Related Parties**

(As Identified by the Management)

**a) Individual Controlling the Company :**

Mr. Mangalprabhat Lodha, Controlling Shareholder of the Ultimate Holding Company

**b) Ultimate Holding Company**

Sambhavnath Infrabuild and Farms Private Limited (Holding company of LDPL w.e.f. 17-July-2013)

**c) Entities as at 10th June, 2013 (unless and otherwise stated) :**

**i) Holding Companies**

Lodha Developers Private Limited (LDPL) (Holding company of APPL)

Arihant Premises Private Limited (APPL) (From 10th June, 2013)

Poonam Fast Foods Private Limited (Upto 9th June, 2013)

**ii) Fellow Subsidiaries**

Aasthavinayak Estate Company Private Limited

Aasthavinayak Real Estate Private Limited

Adinath Builders Private Limited

Ajitnath Hi-Tech Builders Private Limited

Anantnath Constructions and Farms Private. Ltd.

Cowtown Land Development Private Limited

Dalhousie Leasing and Financial Services Private Limited

Galaxy Premises Private Limited

Gandhar Builders Private Limited

Hi-Class Buildcon Private Limited

Hotel Rahat Palace Private Limited

International Airport Builders & Management Services Private Limited

Jawala Real Estate Private Limited

Kidderpore Holdings Limited

Krona Realties Private Limited

Kundan Realtors Private Limited

Lodha Attentive Developers and Farms Private Limited

Lodha Buildcon Private Limited

Lodha Building and Construction Private Limited

Lodha Crown Buildmart Private Limited

Lodha Designer Construction Private Limited

Lodha Developers UK Limited

Lodha Elevation Buildcon Private Limited

Lodha Estate Private Limited

Lodha Glowing Construction Private Limited

Lodha Hi-Rise Builders Private Limited

Lodha Home Developers Private Limited

Lodha Home Styles Private Limited

Lodha Impression Real Estate Private Limited

Lodha Land Developers Private Limited

Lodha Pinnacle Buildtech and Farms Private Limited

Lodha Prime Buildfarms Private Limited

Macrotech Constructions Private Limited

Mahavir Build Estate Private Limited

Mahavir Premises Private Limited

Manan Finserve Private Limited

Microtec Constructions Private Limited

Nabhiraja Software Design Private Limited

Naminath Builders and Farms Private Limited



- National Standard (India) Limited  
 Odeon Theatres and Properties Private Limited  
 Palava Dwellers Private Limited (Formerly known as Lodha Dwellers Private Limited)  
 Palava Utilities Private Limited  
 Proficient Buildwell Private Limited  
 Sahajanand Hi-Tech Constructions Private Limited  
 Sai Ishwer Finvest Private Limited  
 Samvara Buildtech Private Limited  
 Sanathnagar Enterprises Limited  
 Sarvavasa Buildtech and Farms Private Limited  
 Shantinath Designer Construction Private Limited  
 Shreeniwas Abode and House Private Limited  
 Shreeniwas Cotton Mills Limited  
 Shri Kailash Properties and Agrofarms Private Limited  
 Shri Nakoda Bhirav Realtors Private Limited  
 Shri Vardhvinayak Builders Private Limited  
 Siddhnath Residential Paradise Private Limited  
 Simtools Private Limited  
 Sitaldas Estate Private Limited  
 Suryakrupa Constructions Private Limited (Formerly known as Suryakrupa Farms and Constructions Private Limited)
- iii) **Limited Liability Partnerships under Control:**  
 Ajeethnath Hi – Tech Buildtech LLP  
 Lodha Dwellerz LLP  
 Lodha Fincorp Distribution Services LLP
- iv) **Partnership Firms Under Control:**  
 Lodha Construction (Dombivli)  
 Lodha Palazzo  
 Mahavir Associates  
 Vivek Enterprises
- d) Entities added during the year**
- | <b>Fellow Subsidiaries</b>  | <b>From</b>      |
|---|------------------|
| Lodha Buildtech Private Limited   | 01-July-2013     |
| Lodha Pranik Landmark Developers Private Limited                        | 01-July-2013     |
| Lodha Properties Development Private Limited                            | 17-July-2013     |
| Lodha Aviation Private Limited  | 21-August-2013   |
| Palava City Management Association (Section 25 Company)                 | 06-November-2013 |
| Lodha Developers International (Mauritius) Limited                      | 25-November-2013 |
| Shree Sainath Enterprises Construction and Developers Private Limited * | 28-November-2013 |
| Lodha Developers International (Jersey) Limited                         | 05-December-2013 |
| Ishwer Realty and Technologies Private Limited                          | 26-December-2013 |
| Sambhavnath Reality and Farms Private Limited                           | 31-December-2013 |
| Lodha Strategic Development Private Limited                             | 31-December-2013 |
| Lodha Developers International (Jersey) II Limited                      | 29-January-2014  |
| Lodha Developers International (Netherlands) B. V.                      | 03-March-2014    |
| Lodha Developers International (Jersey) I Holdings Limited              | 05-March-2014    |
- e) Entities ceased / Struck off during the year**
- | <b>Fellow Subsidiaries</b>                          | <b>Upto</b>   |
|---|---------------|
| Lodha Home Finance Limited (Applied for Strike off) | 24-March-2014 |
- Partnership Firms under control**  
 Shree Sainath Enterprises \* 27-November-2013
- f) Key Management Personnel:**  
 Nilesh Rawat

\* converted into Private Limited Company under the provisions of part IX of the Companies Act, 1956.

**B. Transactions during the year and Balances Outstanding as at the year ended 31st March, 2014 with related parties are as follows:****(i) Transactions** (₹ in Lakhs)

Sr. No.	Nature of Transactions	Holding Company	Fellow Subsidiaries	Others
1	Loans taken	-	5,683.32	-
		(-)	(-)	(-)
2	Interest Expenses	-	250.42	-
		(-)	(-)	(-)
3	Professional Fees Income	-	9.00	-
		(-)	(-)	(-)
4	Amount paid on behalf by	1.77	-	-
		(-)	(-)	(-)
5	Reimbursements Taken	4.59	-	-
		(-)	(-)	(-)

**(ii) Outstanding Balances :** (₹ in Lakhs)

Sr. No.	Nature of Transactions	Holding Company	Fellow Subsidiaries	Others
1	Loans Taken	-	1,858.32	-
		(-)	(-)	(-)
2	Interest accrued but not due on borrowings	-	320.77	-
		(-)	(-)	(-)
3	Trade Receivables	-	8.10	-
		(-)	(-)	(-)
4	Others Payables	3.45	-	-
		(-)	(-)	(-)

**(iii) Disclosure in respect of material transactions with related parties:** (₹ in Lakhs)

Sr. No.	Nature of Transactions	Particulars	2013-14	2012-13
1	Loans taken	Jawala Real Estate Private Limited	3,808.32	-
		Lodha Buildcon Private Limited	1,425.00	-
2	Interest Expenses	Jawala Real Estate Private Limited	86.40	-
		Lodha Buildcon Private Limited	148.59	-
3	Professional Fees Income	Dalhousie Leasing & Financial Services Private Limited	9.00	-
4	Amount paid on behalf by	Lodha Developers Private Limited	1.77	-
5	Reimbursements Taken	Lodha Developers Private Limited	4.59	-

Note: No amount pertaining to related parties have been written off / back or provided for.

**3 Disclosure in respect of amounts due from Private Companies in which director of Company is director there:**

(₹ in Lakhs)

Name of the Company	Nature of Dues	2013-14	2012-13
Dalhousie Leasing & Financial Services Private Limited	Trade Receivables	8.10	-

4 In terms of Accounting Standard 22 'Accounting for taxes on Income, the Company does not have any deferred tax liability.

**5 Lease:**

Disclosures in accordance with the Accounting Standard 19- "Leases" are given below:

Assets taken on cancellable lease:

- The Company has taken commercial premises under cancellable Operating Lease. The Lease Agreement is usually renewable by mutual consent on mutually agreeable terms.
- The rental expenses in respect of cancellable Operating Lease is charged as rent amounting to ₹ 16.45 lakhs (previous year ₹ 26.18 lakhs) under Note 23.

6 Details of Open Interest in Equity Stock / Equity Index Futures Contracts :

Name of Equity Index Futures	No. of Units	
	Long	Short
FUTIDX-BANKNIFTY	-	10,000
	(-)	(-)
FUTSTK-BHEL	-	-
	(180,000)	(-)
FUTSTK-MCDOWELL-N	-	-
	(-)	(2,000)
FUTIDX-NIFTY	-	71,500
	(39,000)	(15,000)
FUTSTKLT	-	17,000
	(-)	(-)
FUTSTK-INFY	-	-
	(-)	(18,000)
FUTSTK-IRB	-	-
	(50,000)	(100,000)
FUTSTK-SBIN	-	-
	(5,000)	(-)

**7 Basic and Diluted Earnings per share**

		2013-2014	2012-2013
a) Net Loss for the year	(₹ in Lakhs)	(362.45)	(292.00)
b) No. of Equity Shares as on April, 1st		10,000,000	10,000,000
Add: Shares allotted		-	-
No. of Equity Shares as on March, 31st		10,000,000	10,000,000
Weighted average no. of Equity Shares		10,000,000	10,000,000
c) Face value of Equity Share	(₹)	10	10
d) Basic and Diluted Earning Per Share	(₹)	(3.62)	(2.92)

8 In the opinion of the management, the assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

9 Balance in certain accounts of trade payables are subject to reconciliation/confirmation

10 a) Previous year figures have been regrouped / rearranged wherever necessary.

b) Figures in brackets are related to previous year.

## Note 25

## Particulars as per NBFC Directions

Non-Deposit taking Non-Banking Financial Company (As required in terms of paragraph 13 of Non-Banking Financial (Non-Depositing Accepting or Holding) Companies Prudential norms (Reserve Bank) Directions, 2007).

(₹ in Lakhs)

## Liabilities side :

1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
<b>a</b>	Debentures:		
	Secured :	-	-
		(-)	(-)
	Unsecured :	-	-
	(other than falling within the meaning of public deposits)	(-)	(-)
<b>b</b>	Deferred Credits	-	-
		(-)	(-)
<b>c</b>	Term Loans	-	-
		(-)	(-)
<b>d</b>	Inter-corporate loans and borrowing	2,516.90	-
		(7,921.31)	(-)
<b>e</b>	Commercial Paper	-	-
		(-)	(-)
<b>f</b>	Other Loans (specify nature) From a Director	-	-
	* Please see note 1 below.	(-)	(-)

## Assets side :

2	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):	Amount outstanding
<b>a</b>	Secured	-
		(-)
<b>b</b>	Unsecured	1,270.07
		(1,338.75)
<b>3</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities.</b>	
<b>a</b>	<b>Lease assets including lease rentals under sundry debtors :</b>	
	Financial lease	-
		(-)
	Operating lease	-
		(-)
<b>b</b>	<b>Stock on hire including hire charges under sundry debtors:</b>	
	Assets on hire	-
		(-)
	Repossessed Assets	-
		(-)
<b>c</b>	<b>Other Loans counting towards AFC activities :</b>	
	Loans where assets have been repossessed	-
		(-)
	Loans other than above	-
		(-)

4 Break-up of Investments	Amount outstanding
<b>a Current Investments :</b>	
<b>I Quoted:</b>	
(i) Shares :	
Equity	-
Preference	(-)
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	(-)
(iv) Government Securities	-
(v) Others (please specify)	(-)
<b>II Unquoted:</b>	
(i) Shares :	
Equity	-
Preference	(-)
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	(-)
(iv) Government Securities	10.11
(v) Others (please specify)	(10.11)
<b>b Long Term investments</b>	
<b>I Quoted:</b>	
(i) Shares :	
Equity	-
Preference	(-)
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	(-)
(iv) Government Securities	-
(v) Others (please specify)	(-)
<b>II Unquoted:</b>	
(i) Shares :	
Equity	-
Preference	(-)
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	(-)
(iv) Government Securities	-
(v) Others (please specify)	(-)

**5 Borrower group-wise classification of Assets financed as in (2) and (3) above**

Sr No.	Category	Amount net of provisions		
		Secured (₹ in Lakhs)	Unsecured (₹ in Lakhs)	Total (₹ in Lakhs)
<b>a</b>	<b>Related Parties</b>			
	(i) Subsidiaries	-	-	-
	(ii) Companies in the same group	(-)	(-)	(-)
	(iii) Other related parties	-	-	-
		(-)	(-)	(-)
<b>b</b>	<b>Other than related parties</b>	-	1,270.07	1,270.07
		(-)	(1,338.75)	(1,338.75)

**6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Sr No.	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>a</b>	<b>Related Parties **</b>		
	(i) Subsidiaries	-	-
	(ii) Companies in the same group	(-)	(-)
	(iii) Other related parties	-	-
		(-)	(-)
<b>b</b>	<b>Other than related parties</b>	10.11	10.11
		(10.11)	(10.11)
	<b>Total</b>	10.11	10.11
		(10.11)	(10.11)

Sr No.	Particulars	(₹ in Lakhs)
<b>a</b>	<b>Gross Non-Performing Assets</b>	
	(i) Related parties	-
	(ii) Other than related parties	(-)
		-
		(-)
<b>b</b>	<b>Net Non-Performing Assets</b>	
	(i) Related parties	-
	(ii) Other than related parties	(-)
		-
		(-)
<b>c</b>	<b>Assets acquired in satisfaction of debt</b>	-
		(-)

## NOTES :

- a As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- b Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

As per our attached Report of even date  
For SHANKER AND KAPANI  
Chartered Accountants  
Firm Registration No. : 117761W

For and on behalf of the Board

K. G. Shanker  
Partner

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

Place : Mumbai  
Date: 29th April, 2014

# ROSELABS FINANCE LIMITED

CIN: L67120GJ1995PLC024070

Regd. Off.: 416, Anand Mangal Complex, B/H. Omkar House, C.G. Road, Navrangpura, Ahmedabad – 380009

Website: [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in), E-mail: [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com)

Tel.: +91.22.23024400 Fax: +91.22.23024550

## Proxy Form

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

### 20<sup>th</sup> ANNUAL GENERAL MEETING

Name of the Member: \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email id: \_\_\_\_\_

DP ID / Client ID / Folio No.: \_\_\_\_\_ No. of Share: \_\_\_\_\_

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

1. Name \_\_\_\_\_ Address : \_\_\_\_\_

Email id \_\_\_\_\_ Signature \_\_\_\_\_ failing him;

2. Name \_\_\_\_\_ Address : \_\_\_\_\_

Email id \_\_\_\_\_ Signature \_\_\_\_\_ failing him;

3. Name \_\_\_\_\_ Address : \_\_\_\_\_

Email id \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the Monday, September 15, 2014 at 12.30 p.m. at 416, Anand Mangal Complex 1, Behind Omkar House, C.G. Road, Navrangpura, Ahmedabad – 380009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description	No. of Equity Shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors for the year ended March 31, 2014			
2	Appointment of M/s. Shanker and Kapani, Chartered Accountants, as Statutory Auditors and fix their remuneration.			
3	Appointment of Ms. Purnima Pavle, as Director.			
4	Appointment of Mr. Nilesh Rawat, as Director and Managing Director of the Company			
5	Appointment of Mr. Prakash Bhat, as Independent Director			
6	Appointment of Mr. Santosh Ojha, as Independent Director			
7	Authority to borrow under Section 180(1)(c) of the Companies Act, 2013			
8	Authority to create security under Section 180(1)(a) of the Companies Act, 2013			
9	Adoption of new Articles of Association of the Company			
10	Approval for Related Party Transaction(s)			

Affix  
revenue  
stamp

Signed this..... day of..... 2014

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. The Proxy need not be a Member of the Company.





# ROSELABS FINANCE LIMITED

CIN: L67120GJ1995PLC024070

Regd. Off.: 416, Anand Mangal Complex, B/H. Omkar House, C.G. Road, Navrangpura, Ahmedabad – 380009

Website: [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in), E-mail: [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com)

Tel.: +91.22.23024400 Fax: +91.22.23024550

## ATTENDANCE SLIP

### 20<sup>th</sup> ANNUAL GENERAL MEETING

Name of the Member / Proxy: \_\_\_\_\_

DP ID / Client ID / Folio No.: \_\_\_\_\_

No. of Share: \_\_\_\_\_

I/We hereby record my/our presence at the 20<sup>th</sup> Annual General Meeting of the Company held at 416, Anand Mangal Complex 1, Behind Omkar House, C.G. Road, Navrangpura, Ahmedabad – 380009 on Monday, September 15, 2014 at 12.30 p.m.

\_\_\_\_\_  
**Member's/Proxy's Signature**

**Note:**

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the entrance of the Meeting hall.





*if undelivered, please return to:*  
**ROSELABS FINANCE LIMITED**  
10th Floor, Lodha Excelus,  
N.M.Joshi Marg, Mahalaxmi,  
Mumbai- 400011, India