

ROSELABS FINANCE LIMITED

22nd Annual Report
2015 - 2016

BOARD OF DIRECTORS

Directors

Mr. Santosh Kumar Ojha
Mr. Prakash Ganapathi Bhat
Mr. Nilesh Rawat
Ms. Purnima Pavle

Category

Chairman - Independent Director
Independent Director
Managing Director
Non-Executive Non-Independent Director

COMPANY SECRETARY

Mr. Mahesh Bhatt

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
E-mail: 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

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NOTICE

Notice is hereby given that the **22ND ANNUAL GENERAL MEETING** of the Members of Roselabs Finance Limited (CIN No. L67120GJ1995PLC024070) will be held on Friday, 30th September 2016 at 12.30 p.m. at 401, Anand Mangal Complex, Behind Omkar House, C. G. Road, Navrangpura, Ahmedabad – 380 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016, and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Nilesh Rawat (DIN: 06705140) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Statutory Auditor to fill casual vacancy:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s MZSK & Associates, Chartered Accountants (Firm Registration No: 105047W) be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Shanker & Kapani, Chartered Accountants, (Firm Registration No: 117761W);

RESOLVED FURTHER THAT M/s MZSK & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold the office from 2nd September 2016 until the conclusion of the 22nd Annual General Meeting of the Company, on such remuneration plus applicable taxes, and out of pocket expenses, as shall be fixed by the Board of Directors of the Company.”

4. Appointment of Statutory Auditor:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s MZSK & Associates, Chartered Accountants (Firm Registration No: 105047W, be and are hereby appointed as Statutory Auditors of the Company to hold office for five years, from the conclusion of the 22nd Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of the appointment by the Members at every Annual General Meeting held after the 22nd Annual General Meeting of the Company), on such remuneration plus applicable taxes and out of pocket expenses, as shall be fixed by the Board of Directors of the Company.”

By Order of the Board of Directors

Sd/-

**Mahesh Bhatt
Company Secretary**

Registered Office

416, Anand Mangal Complex,
B/H, Omkar House, C.G. Road,
Navrangpura, Ahmedabad – 380009
Tel No: +91.22. 61334517
Website: www.roselabsfinancelimited.in
CIN No: L67120GJ1995PLC024070
Email: roselabsfinance@lodhagroup.com

Place: Mumbai

Date: 2nd September, 2016

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 POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not later than 48

hours before the commencement of the meeting. A Proxy Form is annexed to this Annual Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

- 2) A person can act as proxy on behalf of members upto and not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Members 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.
- 3) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- 4) 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 normal 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.
- 5) Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
- 6) 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.
- 7) 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.

Members holding shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's 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: evoting@linkintime.co.in enclosing their original share certificate to enable them to consolidate the holdings into one folio.

- 8) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- 9) The relevant details of Director seeking re-appointment are annexed to the notice.
- 10) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office / Corporate Office of the Company on all working days, excluding Saturday, Sunday and Public Holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
- 11) In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended, 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 requests 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).
- 12) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS) and Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.
- 13) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.

- 14) Members holding shares of the Company as on Friday 23rd September, 2016, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM, ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, 27th September, 2016 (9:00 am) and ends on Thursday, 29th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 23rd September, 2016, may cast their vote by remote e-voting. The remote 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.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - [Login](#)
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Roselabs Finance Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to snehalshahpcs@gmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsd.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. 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).

- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September,2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Snehal Shah, Company Secretary (Membership No. 6114) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.roselabsfinancelimited.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE BUSINESSES MENTIONED IN THE NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE COMPANY

ITEM NO.2

This explanatory statement is provided though strictly not required as per section 102 of the Companies Act, 2013.

The Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain disclosures with respect to appointment of Mr. Nilesh Rawat as the Director of the Company who is liable to retire by rotation at this Annual General Meeting, which is mentioned below:

Date of Birth	15 th Nov,1983
Age	32 years
Qualifications	Chartered Accountant
Experience	Nilesh Rawat has been associated with Lodha Group since past more than nine years. He has total 10 years of diverse experience in the field of accounts.
Terms & Conditions of appointment	Was appointed as Managing Director on 11 th October, 2013 for a period of 3 years
Remuneration last drawn & Sought to be paid	Nil
Date of Appointment on the Board	11 th October, 2013

Directorships held in other companies as on 31 March, 2016	<ol style="list-style-type: none"> 1. Ganeshji Reality and Agro Private Limited 2. Lodha Properties Development Private Limited 3. Microtec Constructions Private Limited 4. Lodha Aviation Private Limited 5. Dalhousie Leasing and Financial Services Private Limited 6. Lodha Finstock Private Limited 7. Lodha Leading Builders Private Limited 8. Lodha Foundation
Memberships of committees across companies (includes Audit, Nomination and Remuneration & Stakeholders Relationship Committee) as on 31 March, 2016	Nil
Shareholding in the Company (Equity)	Nil
Relationship with other Directors/ Manager/Key Managerial Personnel	None
Number of Board meetings attended during the year	5

The Company has received the necessary consent and disclosures from Mr. Nilesh Rawat in terms of provisions of the Companies Act, 2013.

The Board recommends the item no. 2 of the Notice for approval by the Members.

None of the Directors, other Key Managerial Personnel and their relatives thereof except Mr. Nilesh Rawat, are in any way, concerned or interested, financially or otherwise in the above resolution.

ITEM NO.3

The Members of the Company at the 20th Annual General Meeting held on 15th September, 2014 had appointed M/s Shanker & Kapani, Chartered Accountants, (Firm Registration No: 117761W) as the Statutory Auditors of the Company to hold office from the conclusion of 20th Annual General Meeting till the conclusion of 25th Annual General Meeting of the Company to be held in the year 2019 subject to ratification of the appointment by the Members at every Annual General Meeting held after the 20th Annual General Meeting of the Company.

M/s Shanker & Kapani expressed their intention to step down and resigned from the position as Statutory Auditors of the Company on 2nd September, 2016 resulting in a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013. The Board of Directors, at its meeting held on 2nd September 2016, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) under Companies Act, 2013, appointed Messrs. M/s MZSK & Associates, Chartered Accountants, (Firm Registration No: 105047W) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Shanker & Kapani, Chartered Accountants, subject to the approval by the members in the 22nd Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as shall be fixed by the Board of Directors of the Company.

The Company has received consent and eligibility certificate from M/s MZSK & Associates, Chartered Accountants, to act as Statutory Auditors of the Company in place of M/s Shanker & Kapani, Chartered Accountants, along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution at Item No.3.

The Board recommends the Resolution at Item No. 3 for approval of the Members.

ITEM NO. 4

The Board of Directors at its meeting held on 2nd September 2016, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s MZSK & Associates, Chartered Accountants, (Firm Registration No: 105047W) as Statutory Auditors of the Company to hold office for five years, from the conclusion of the 22nd Annual General Meeting, till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of the appointment by the Members at every Annual General Meeting held after the 22nd Annual General Meeting), at such remuneration plus applicable taxes, and out of pocket expenses, as shall be fixed by the Board of Directors of the Company.

ROSELABS FINANCE LIMITED

The Company has received consent and eligibility certificate from M/s MZSK & Associates, Chartered Accountants to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Resolutions at Item No. 4.

The Board recommends the Resolution at Item No. 4 for approval of the Members.

By Order of the Board of Directors

Sd/-

Mahesh Bhatt
Company Secretary

Registered Office

416, Anand Mangal Complex,
B/H, Omkar House, C.G. Road,
Navrangpura, Ahmedabad – 380009
Tel No: +91.22. 61334517
Website: www.roselabsfinancelimited.in
CIN No: L67120GJ1995PLC024070
Email: roselabsfinance@lodhagroup.com

Place: Mumbai

Date: 2nd September, 2016

BOARD'S REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 22nd Annual Report for the financial year ended 31st March, 2016.

FINANCIAL RESULTS & OVERVIEW

Particulars	31 st March, 2016 (Rs. in Lakh)	31 st March, 2015 (Rs. in Lakh)
Total Income	820.94	1,355.98
Less : Total Expenses	1,062.09	1,306.86
Profit/Loss Before Tax	(241.15)	49.12
Less: Tax Expenses (Deferred tax)	-	-
Less: Prior period taxation adjustments	1.06	-
Profit /Loss for the Year	(240.09)	49.12

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Total Revenue: Total income declined by 39.45% to Rs. 820.94 lakh for the financial year 2016 from Rs. 1,355.98 lakh for the financial year 2015.

Total Expenditure: Correspondingly, total expenses declined by 18.73% to Rs. 1,062.09 lakh for the financial year 2016 from Rs. 1,306.86 lakh for the financial year 2015.

This has resulted in loss for the year under review.

Reserves

In view of losses, the Company has not transferred any sum to Statutory Reserve as provided under Reserve Bank of India Act, 1934.

Dividend

In view of losses, the Directors do not recommend payment of dividend on Equity Shares for the Financial Year ended March 31, 2016.

Details of Board meetings

The details of composition of the Board of Directors as on 31st March, 2016 is as under:

Name of Directors	Designation
Mr. Santosh Kumar Ojha	Chairman-Independent Director
Mr. Nilesh Rawat	Managing Director
Mr. Prakash Bhat	Independent Director
Ms. Purnima Pavle	Non-Executive Non-Independent Director

During the year the Company has conducted 5 (Five) Board meetings, which were held in accordance with the provisions of the Companies Act, 2013 and rules read thereunder on 29th April 2015, 15th May 2015, 13th August 2015, 6th November 2015 and 12th February 2016. These meetings were attended by all directors of the company except Mr. Prakash Bhat, who was not present in two meetings held on 29th April 2015 and 15th May 2015.

Committees of Board

The details of composition of the Committees of the Board of Directors as on 31st March, 2016 are as under:-

a. Audit Committee

Sl. No.	Name	Chairman/ Members
1	Mr. Santosh Kumar Ojha	Chairman
2	Mr. Prakash Bhat	Member
3	Ms. Purnima Pavle	Member

During the year Company has conducted Four (4) Audit Committee Meetings, which were held in accordance with the provisions of the Companies Act, 2013 and rules read thereunder on 29th April 2015, 13th August 2015, 6th November 2015 and 12th February 2016.

b. Nomination & Remuneration Committee

Sl. No.	Name	Chairman/ Members
1	Ms. Purnima Pavle	Chairperson
2	Mr. Prakash Bhat	Member
3	Mr. Santoshkumar Ojha	Member

During the year Company has not conducted any Nomination & Remuneration Committee Meeting.

c. Stakeholders Relationship Committee

Sl. No.	Name	Chairman/ Members
1	Ms. Purnima Pavle	Chairperson
2	Mr. Santoshkumar Ojha	Member
3	Mr. Prakash Bhat	Member

During the year the Company has conducted Three (3) Stakeholders Relationship Committee Meetings were held in accordance with the provisions of the Companies Act, 2013 and rules read thereunder on 29th April 2015, 6th November 2015 and 12th February 2016.

- Vigil mechanism**

In line with the provisions of section 177 of the Companies Act, 2013, the Company has formed a Transparency and Ethics policy (TEP) to deal with instances of fraud and mismanagement if any and to ensure a clean and transparent environment for conducting business.

The TEP policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be shown towards any person for a genuinely raised concern. Any employee can report such incident of violation and context thereto to the Ombudsman or director concerned in writing/by email/sms or by phone. Alternatively, the Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct. It provides for adequate safeguards against victimization of persons who use such mechanism and provides direct access to chairperson of Audit Committee. The TEP policy has also been placed on the website of the Company.

Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure 1**.

Statutory Auditors

The members of the Company at the 20th Annual General Meeting held on 15th September, 2014 had appointed M.s Shanker & Kapani, Chartered Accountants, (Firm Registration No: 117761W) as the Statutory Auditors of the Company to hold office from the conclusion of 20th Annual General Meeting till the conclusion of 25th Annual General Meeting of the Company to be held in the year 2019 subject to ratification of the appointment by the Members at every Annual General Meeting held after the 20th Annual General Meeting of the Company.

M/s Shanker & Kapani expressed their intention to step down and resigned from the position as Statutory Auditors of the Company on 2nd September, 2016 resulting in a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 2nd September 2016, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) under Companies Act, 2013, appointed M/s MZSK & Associates, Chartered Accountants, (Firm Registration No: 105047W) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Shanker & Kapani, Chartered Accountants, subject to the approval by the members in the 22nd Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as shall be fixed by the Board of Directors of the Company. The Company has received consent and eligibility certificate from M/s MZSK & Associates, Chartered Accountants, to act as Statutory Auditors of the Company in place of M/s Shanker & Kapani, Chartered Accountants, along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

In view of the above, the Board proposes M/s. MZSK & Associates, Chartered Accountants to be appointed as Statutory Auditors of the Company to fill in casual vacancy as the aforesaid and also hold office for period of five years, from the conclusion of the 22nd Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of the appointment by the Members at every Annual General Meeting held after the 22nd Annual General Meeting). Necessary resolutions in this regard form part of notice of the 22nd Annual General Meeting of the Company.

Statutory and Secretarial Audit

The report of the Statutory Auditors addressed to the members as per provisions of the Companies Act, 2013, is part of the Annual Report. There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors in his said report. Additionally, during the year under review, in terms of Section 204 of the Companies Act, 2013 and Rules made there under, Mrs. Jinal Dawda, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company. The report of the Secretarial Auditor is enclosed as **Annexure 2** to this report.

In the separate report of the Statutory Auditors addressed to the Board of Directors of the Company as per Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, the Statutory Auditors of the Company has opined that the Company is not entitled to continue certificate of registration issued by RBI in terms of its asset/ income pattern as on 31st March, 2016. Additionally, the Secretarial Auditors have opined that the Company has failed to comply with minimum Net owned Fund requirement, maximum leverage and minimum financial assets of 50%.

We would like to state that on account of non-recovery of trade receivable of Rs.1200 lakhs during the year, the Company's financial assets has fallen below 50%. Also during the year, the Company had to provide for doubtful assets to the extent of Rs. 123 lakh on account of non-recovery of loan. Additionally, the Company could not make expected profits from sale of securities, which could not cover up expenses.

The aforesaid has resulted in loss of Rs.241.15 crores during the year under review and consequent non-maintenance of prescribed Net Owned Fund and leverage as per RBI Directions. The Company is making conscious efforts for recovery of Rs.1200 lakhs, increasing its Net Owned Fund and reducing leverage. In this regard, the Company has represented to RBI and sought additional time for the financial year 2016-2017 for compliance of RBI directions.

Related party transactions

During the year under review, the Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material. Thus the disclosures pertaining to Section 188(1) of the Companies Act, 2013 are not applicable.

Information on Material Changes and Commitments

Till date of the Board's report, the Company could not recover trade receivable of Rs.1200 lakhs. As a result of this, the Statutory Auditors of the Company in Limited Review Report for the first quarter ended 30th June, 2016 has opined that trade receivable of Rs.1200 lakhs of the Company are doubtful of recovery. However, the Company is of the view that the Company will be able to recover the said trade receivable.

Risk Management Policy

Risk is regarded as the threat of some event, action or loss of opportunity if it occurs, will adversely affect the business i.e. value to stakeholders, ability to achieve objective, ability to implement business strategies, manner of operation, reputation & Brand Image due to Internal and external factors. The Company has a Risk Management Policy, which lays down active process for identification and mitigation of risks. Risk Management Policy has been adopted by the Board of Directors of the Company. All concerned process owners of the company are regularly identifying & mitigating key risks in their respective domain. The Board reviews the risk management and mitigation plan for key risks from time to time.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and verified by Internal Auditors. Appropriate actions are being taken by the responsible concerned.

Company's policy on director's appointment and remuneration including criteria

The Nomination and Remuneration Committee and the Board of Directors at its Meeting held on 20th October, 2014 had laid down criteria for determining director's qualification, positive attributes and independence of director's, remuneration of directors and key managerial personnel and also criteria for evaluation of performance of directors, chairperson, non-executive directors and Board as a whole and also the evaluation process of the same.

Criteria for Performance Evaluation of Executive Director of the Company who are involved in day to day operations of the Company is assessed on the basis of Key Performance Indicators (KPI), which would be identified based on a) their commitment to achieve Company's goals and alignment with the strategic direction, b) their decision making ability, and c) their ability and actions to safeguard the interest of shareholders of the Company and weights assigned for each measure of performance keeping in view the distinct roles of each Executive Director.

Performance of Non-Executive and Independent Directors of the Company who are not involved in day to day operations of the Company is assessed on the basis of: a) individual's continuing commitment to the role, strategic thinking, b) commitment of time for Board the other Committee meetings, c) individual's continuing commitment to spend time and effort in learning about the Company and its business.

The performance of the members of the Board and the Board as a whole were evaluated at the meeting of Independent Directors held on 21st March, 2016.

As per Section 149 of the Companies Act, 2013, a Company shall have at least One Women Director on the Board of the Company. The Company has Ms. Purnima Pavle as Director on the Board since 11th October, 2013.

The Company has devised a Policy which includes criteria for performance evaluation of the non-executive directors and executive directors.

The policy on Directors appointment and remuneration for Directors, Key Managerial Personnel, Senior Management Personnel including policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors is attached as **Annexure 3**.

Significant and material orders passed by the regulators

During 2014-2015, the Company had received a notice under SEBI (Prohibition of fraudulent and unfair trade Practices Relating to Securities market) Regulation, 2003, SEBI (Substantial Acquisition of shares and takeover) Regulations, 1997 and SEBI (Prohibition of Insider Trading) Regulation 1997 for violation of the SEBI Guidelines as mentioned in the Order and under which SEBI has imposed a penalty amounting Rs. 253.72 lakh. The directors want to clarify that the violation of the SEBI Guidelines as mentioned in the Order, pertains to the year prior to the acquisition of the Company by the present promoter i.e. Arihant Premises Private Limited ('Arihant').

The Company was initially managed by and under control of Singhal Group of Companies which was taken over by Poonam Fast Foods Private Limited in the year 2008. In the year 2013, Arihant, by providing open offer, in accordance with provisions of SEBI Takeover Regulations, 2011, acquired the controlling stake of the Company. At present, Arihant holds 74.25% of the voting Equity Share Capital of the Company.

Your Directors further state that the said default as mentioned in the Order has not been committed by Arihant as the violation pertains to the period from October 6, 2003 to January 28, 2004 wherein the Company was not managed by Arihant.

The Company had filed an appeal before Securities Appellate Tribunal ('SAT') challenging the aforesaid order. SAT, on March 21, 2016, has set aside the impugned order and remanded the matter to SEBI for fresh decision on merits.

Internal financial controls

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory and Internal Auditors and cover key business areas. Significant audit observations and follow up actions thereon, if any, are reported to the Audit Committee and the Board. The Audit Committee and the Board review adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and/ or systems. These systems provide a reasonable assurance in respect of financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

Holding and Subsidiary

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.

During the year, under review, the Company did not have any subsidiary, joint ventures or associate companies.

Directors and Key Managerial Personnel

The Company has received declarations from the Independent Directors viz. Mr. Prakash Bhat (DIN No: 00654992) and Mr. Santosh Kumar Ojha (DIN No 02494357), stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Mr. Kuntiprakash Inani resigned as Chief Financial Officer of the Company with effect from 1st February, 2016, due to his preoccupation.

Mr. Nilesh Rawat (DIN: 06705140) Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Deposits

Your company has neither invited nor accepted or renewed any deposit from the public and/or member under the provisions of Companies Act, 2013 or rules made thereunder, during the financial year under review.

Particulars of Loans, Guarantees or Investments

The provisions of Section 186 of the Act pertaining to investment and lending activities are not applicable to the Company since the Company is NBFC.

During the year under review, the Company has not provided any guarantees and /or securities in connection with loans to other bodies corporate or person covered under Section 186 of the Companies Act, 2013.

Particulars of Employees

Pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement of particulars of employees is annexed as **Annexure 4**.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	The operations of your Company are not energy-intensive.
(ii)	the steps taken by the company for utilizing alternate sources of energy	None
(iii)	the capital investment on energy conservation equipments	Nil

(b) Technology absorption

(i)	the efforts made towards technology absorption	None
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	None
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	None
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	None

(c) Foreign exchange earnings and Outgo

During the financial year 2015-16, the Company neither earned any foreign exchange in terms of actual inflows nor there any foreign exchange outgo in terms of actual outflows.

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures thereof;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2016 and of the loss of the Company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance and Management Discussion and Analysis Report

As per Regulation 15 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, various compliances relating to corporate governance shall not be mandatory to a Company having its paid up equity share capital not exceeding Rs. 10 crore and Net Worth not exceeding Rs. 25 crore as on last day of the previous financial year.

Since the paid up Equity Share capital and Networth of the Company was not exceeding Rs. 10 crores and Rs. 25 crores respectively, the Company was not required to comply with the requirement relating to corporate governance. Accordingly, a report on Corporate Governance and Management Discussion Analysis does not form part of this Report.

Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, Banks and Company's valued investors and all other business partners for their continued co-operation during the year.

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

Sd/-
Nilesh Rawat
Managing Director
DIN: 06705140

Sd/-
Purnima Pavle
Director
DIN: 06705133

Registered Office

416, Anand Mangal Complex,
B/H, Omkar House, C.G. Road,
Navrangpura, Ahmedabad – 380009
Tel No: +91.22. 23024400 Fax: +91.22.23024550
Website: www.roselabsfinancelimited.in
CIN No: L67120GJ1995PLC024070

Email: roselabsfinance@lodhagroup.com

Place: Mumbai

Date: 2nd September, 2016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
of

ROSELABS FINANCE LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L67120GJ1995PLC024070
Registration Date	:	4-Jan-1995
Name of the Company	:	Roselabs Finance Limited
Category	:	Company Limited by Share
Sub-Category of the Company	:	Indian Non-Government Company
Address of the Registered Office and contact details	:	416, Anand Mangal Complex, B/H, Omkar House, C.G. Road, Navrangpura, Ahmedabad – 380009 Tel No: +91 22 61334517
Whether listed company	:	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	:	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400078. Tel : 022-25963838 Fax : 022 -2594 6969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the company
1.	Non Banking Financial Services – lending activities	6492	11.83
2.	Non Banking Financial Services – Equity/ currency derivatives trading	6499	88.17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. NO	Name and Address of The Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Arihant Premises Pvt Ltd Address- 412, Floor- 4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001	U45200MH1988PTC048628	Holding Company	74.25	2(46)

Note: The Company did not have any Subsidiary and Associate Companies during the year under review.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	0	0	0	0	0	0	0	0	0
(b) Central Govt	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	74,24,670	0	74,24,670	74.25	74,24,670	0	74,24,670	74.25	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	74,24,670	0	74,24,670	74.25	74,24,670	0	74,24,670	74.25	0
(2) Foreign									
(a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	74,24,670	0	74,24,670	74.25	74,24,670	0	74,24,670	74.25	0
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks / FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
(a) Bodies Corp.	10,24,836	48,500	10,73,336	10.73	10,35,199	48,500	10,83,699	10.84	0.11
(i) Indian	0	0	0	0	0	0	0	0	0
(ii) Overseas	0				0	0	0	0	0
(b) Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,25,594	2,59,230	6,84,824	6.85	4,23,441	2,56,530	6,79,971	6.80	(0.05)
(ii) Individual Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,55,657	3,49,600	8,05,257	8.05	4,16,057	3,49,600	7,65,657	7.66	(0.39)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others	0	0	0	0	0	0	0	0	0
(i) Clearing Member	10,813	0	10,813	0.11	4,905	0	4,905	0.049	(0.061)
(ii) Non Resident Indians (Repat)	1,100	0	1,100	0.01	1,100	0	1,100	0.01	0
(iii)Hindu Undivided Family	0	0	0	0	39998	0	39998	0.40	0.40
Sub-total (B)(2)	19,18,000	6,57,330	25,75,330	25.75	19,20,700	6,54,630	25,75,330	25.75	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	19,18,000	6,57,330	25,75,330	25.75	19,20,700	6,54,630	25,75,330	25.75	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	93,42,670	6,57,330	1,00,00,000	100	93,45,370	6,54,630	1,00,00,000	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Arihant Premises Private Limited	74,24,670	74.25	0	74,24,670	74.25	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	74,24,670	74.25	74,24,670	74.25
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	74,24,670	74.25	74,24,670	74.25

Note: There is no change in promoter's shareholding during the year under review.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding		Transactions during the year			Cumulative Shareholding at the end of the year - 2016	
		No of Shares at the beginning of the year-2015	% of total share of the Company	Date	Increase/ Decrease in shareholding	Reason	No of Shares	% of total shares of the Company.
1	SURVASHAYA FARMS AND DEVELOPERS PVT LTD	4,42,223	4.42				4,42,223	4.42
2	ARHANATHJI BUILDERS AND FARMS PVT LTD	4,35,325	4.35		-	-	4,35,325	4.35
				16 Oct 2015	3	Purchase	4,35,328	4.35
3	HARSHA HITESH JAVERI	1,47,891	1.47		-	-	1,47,891	1.47
				17 Apr 2015	3,109	Purchase	1,51,000	1.51
				26 Jun 2015	2,300	Purchase	1,53,300	1.53
				10 Jul 2015	6,700	Purchase	1,60,000	1.60
				04 Sep 2015	8,610	Purchase	1,68,610	1.68
				18 Sep 2015	4,923	Purchase	1,73,533	1.73
				08 Jan 2016	4,200	Purchase	1,77,733	1.77
4	NINA RANI	1,25,800	1.25		-	-	1,25,800	1.25
5	HITESH RAMJI JAVERI	99,000	0.99				99,000	0.99
6	BHARAT PRAVIN MEGHANI	83,700	0.83		-	-	83,700	0.83
7	AASHI REALTIES PRIVATE LIMITED	60,240	0.60		-	-	60,240	0.60
8	SANGHVI FINCAP LIMITED	48,500	0.48				48,500	0.48
9	SUNITA HURKAT	48,300	0.48				48,300	0.48
10	JAGDISHKUMAR AMRUTLAL AKHANI	77,164	0.77				77,164	0.77
				17 Apr 2015	(61,080)	Sale	16,084	0.16
				26 Jun 2015	61,080	Purchase	77,164	0.77
				07 Aug 2015	(2,500)	Sale	74,664	0.74
				14 Aug 2015	(13,584)	Sale	61,080	0.61
				25 Dec 2015	(37,470)	Sale	23,610	0.23
				31 Dec 2015	(5,000)	Sale	18,610	0.18
				05 Feb 2016	(17,176)	Sale	1,434	0.01
				25 Mar 2016	14,510	Purchase	15,944	0.15

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

V. INDEBTEDNESS

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

(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	2,525.98	0	2,525.98
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	377.05	0	377.05
Total (i+ii+iii)	0	2,903.03	0	2,903.03
Change in Indebtedness during the financial year				
• Addition	0	531.15	0	531.15
• Reduction	0	0	0	0
Net Change	0	531.15	0	531.15
Indebtedness at the end of the financial year				
i) Principal Amount	0	2,046.54	0	2,046.54
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	325.34	0	325.34
Total (i+ii+iii)	0	2,371.88	0	2,371.88

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	-----NIL-----	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

Note: Mr. Nilesh Rawat, Managing Director of the Company was not drawing any remuneration from the Company during the year under review.

B. Remuneration to other directors: -NIL

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors • Fee for attending board /committee meetings • Commission • Others, please specify	-----NIL-----	
	Total (1)		
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary*	CFO*#	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	28.39	38.19	Nil
		Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

*Mr. Kunti Prakash Inani, CFO Mr. Mahesh Bhatt, Company Secretary, are/ were not on the payroll of the company and are deputed by Lodha Developers Private Limited, holding Company. Their remuneration is being reimbursed by the Company to its holding company. Remuneration is for a period from 1st April, 2015 to 31st December, 2015.

Mr. Kunti Prakash Inani resigned as CFO w.e.f. 1st February, 2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED: 31.03.2016

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

To,
The Members,

ROSELABS FINANCE LIMITED

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Roselabs Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2016 (the Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder (as modified from time to time);
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. - **There was no Foreign Direct Investment (FDI), Overseas Direct Investment (ODI), External Commercial Borrowing (ECB).**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period);**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 - **(Not Applicable to the Company during the Audit Period);**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**

6. The other laws applicable to the Company, as per the representations made by the management of the Company:

I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Ltd. and also have examined compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliance by the Company with respect to the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) (together referred to as the Secretarial Standards), as approved by the Central Government vide Notification No. 1/3/2014 – CL-1 dated 10 April 2015 which have been issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013 (the Act). These Secretarial Standards have come into force w.e.f. 1st July 2015.

I have not examined compliance by the Company with respect to applicable financial laws, like direct and indirect tax laws, accounting laws since the same have been subject to review by statutory financial audit and other designated professionals.

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

The Company being a Non Banking Financial Company (NBFC) has not complied with the following provisions prescribed by Reserve Bank of India (RBI) under RBI Act 1934 and circulars and notifications issued thereof by RBI.

- Minimum net owned fund
- Leverage ratio
- Financial asset of more than 50%.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Act and rules made thereunder, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Mumbai
Date: September 2, 2016

Sd/-
Jinal Dawda
Practicing Company Secretary
ACS: 20255; CP No: 9830

Note – This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,

The Members

ROSELABS FINANCE LIMITED

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

My report of even date is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I follow, provide a responsible basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: September 2, 2016

Sd/-
Jinal Dawda
Practicing Company Secretary
Membership No. A20255
Certificate of Practice No. 9830

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

Background & Objectives:

Section 178 of the Companies Act, 2013 ('the Act') requires the Nomination and Remuneration Committee to identify persons who are qualified to become Directors and who may be appointed in Senior Management and to formulate a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company and recommend the same for approval of the Board. Further Section 134 of the Act stipulates that the Board Report shall include a statement on Company's Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and remuneration for key managerial personnel and other employees.

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

The objective of this Policy is:

- To attract, recruit and retain good and exceptional talent.
- To guide the Board in relation to appointment and removal of Directors.
- To evaluate the performance of the Members of the Board including Independent Directors.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To determine criteria for payment of remuneration to Directors, Key Managerial Personnel, Senior Management and Employees.
- To recommend to the Board on remuneration payable to the Directors including Key Managerial Personnel, Senior Management and Employees, if required.

Definitions:

“**Act**” means the Companies Act, 2013 and rules thereunder.

“**Board of Directors**” or “**Board**” means the Board of Directors of Roselabs Finance Limited, as constituted from time to time.

“**Company**” means Roselabs Finance Limited.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**Director**” means a director appointed to the Board of a company.

“**Independent Director**” means an independent director referred to in sub-section (5) of Section 149 of the Companies Act, 2013.

“**Policy**” means Nomination and Remuneration Policy.

“**Key Managerial Personnel**” (**KMP**) means:

- a. Chief Executive Officer or the Managing Director or the Manager
- b. Whole-time Director
- c. Chief Financial Officer
- d. Company Secretary
- e. Such other officer as may be prescribed

“**Senior Management Personnel**” for this purpose shall mean personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive director(s), including the functional / vertical heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Appointment– Criteria Identification:

- The Committee shall identify and ascertain the integrity, professional qualification, expertise and experience of the person, who is proposed to be appointed as a Director, KMP or at a Senior Management level and appropriate recommendation shall be made to the Board with respect to his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment as KMP, Senior Management Personnel of the Company. The Committee, on the recommendation of Human Resource Department (HR Department), if required, shall have the discretion to decide whether qualification, expertise

and experience possessed by a person is sufficient / satisfactory for the concerned position.

- Appointment of Independent Directors shall be subject to the provisions of Section 149 of the Act read with schedule IV and rules made thereunder. Before appointment as Independent Director, the Committee shall satisfy itself that the proposed person satisfies the criteria of independence as stipulated under Section 149(6) of the Act.
- Appointment of directors on the Board of a Company shall be subject to the recommendation made by the Committee. However, the decision of the Board with respect to appointment of a director shall be final.
- Appointment of Managing Director and Whole-time Director shall be subject to provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and rules made there under. The Committee shall ensure that a person shall not occupy position as a Managing Director/Whole-time Director beyond the age of seventy years, unless his appointment is approved by a special resolution passed by the Company in general meeting. No re-appointment shall be made earlier than one year before the expiry of term.
- No person shall be eligible to be appointed as a Director, if he/she is subject to any disqualifications as stipulated under the Companies Act, 2013 or any other law(s) for the time being in force.

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel, subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP or Senior Management Personnel, shall retire as per the applicable provisions of the Act and the prevailing policy of the Company, if any. The Board will have the discretion to retain the Director in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

Evaluation:

A) Independent Directors/Non-Executive Directors

The Committee shall carry out evaluation of performance of Independent Directors/Non-Executive Directors every year ending 31st March. In case, if a Director is a member of the Committee, he/she shall abstain himself/herself from participation, when he/she is being evaluated.

As a part of evaluation, the Committee shall determine the following criteria:

- Membership & attendance - Committee and Board Meetings
- Contribution during such meetings
- Willingness to spend time and effort learning about the Company and its business
- Active participation in strategic decision making
- Inputs to executive management on matters of strategic importance
- Individual Performance and Contribution
- Such other matters, as the Committee/Board may determine from time to time.

B) Executive Directors

The Committee shall carry out evaluation of performance of Executive Directors every year ending 31st March. In case, if a Director is a member of the Committee, he/she shall abstain himself/herself from participation, when he/she is being evaluated. The evaluation shall be on the basis of Key Performance Indicators (KPI), which would be identified based on a) their commitment to achieve Company's goals and alignment with the strategic direction, b) their decision making ability, and c) their ability and actions to safeguard the interest of shareholders of the Company and weights assigned for each measure of performance keeping in view the distinct roles of each Executive Director. The identified KPI for Executive Directors shall be approved by the Board, pursuant to recommendation of the Committee, if required.

C) Key Managerial Personnel /Senior Management/ Employees

The HR Department shall assign the responsibility of carrying out the evaluation of the aforementioned persons every year ending March 31st, to the concerned department heads. KPI are identified well in advance at the commencement of the financial year. Performance benchmarks shall be set and evaluation of employees would be done by the respective reporting manager(s)/Management to determine whether the performance benchmarks are achieved. The payment of remuneration/annual increment to the aforementioned persons shall be determined after the satisfactory completion of Evaluation process.

The objective of carrying out the evaluation by the Company is to identify and reward those with exceptional performances during any financial year. Additional Training and Development Orientation programs on need basis shall be provided to employees, whose performance during any financial year do not meet the benchmark criteria.

Further, the performance of the Committees formed by the Board will be evaluated based on the terms of reference assigned to the respective Committees.

Matters relating to remuneration, perquisites for Directors, KMP/Senior Management Personnel & Employees:

Section 178 of the Act, emphatically specify that the Committee, while formulating the Policy shall ensure the following:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

In the Company, the remuneration structure for Executive Directors/Senior Management & Employees comprises of :

- a) A **fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competences required to drive the Company's performance.
- b) **Performance Bonus**, based on achieving the minimum KPI predefined at the commencement of the financial year.
- c) **Retirement benefits** including PF, gratuity, etc.
- d) **Such other emolument(s)** as the HR department may after consultation with the Management determine from time to time.

Criteria for Remuneration:**1) KMP/Senior Management/other employees**

Upon the satisfactory completion of Evaluation process and after taking into consideration the performance appraisal of the concerned employee(s) and also taking into consideration the profitability/performance of the Company, salary increments/performance bonus would be decided by the concerned Department Head(s)/Management, as the case may be. The increments/ performance bonus declared shall be solely as per Company Policy.

Determination of remuneration/performance bonus for KMP /Senior Management/other employees, so far as there are no regulatory requirements, need not be recommended/approved by the Committee/Board. The concerned Department Head(s)/Management on the recommendation of the HR department shall have the discretion to determine the quantum of remuneration to be payable to KMP/Senior Management and other employees, as the case may be. Regulatory compliance, if any, needs to be complied appropriately before determining/approving remuneration.

2) Executive Director(s) (EDs)

The remuneration/compensation, etc., to Executive Directors (EDs) of the Company during any financial year shall be determined on the basis of they achieving the Key Performance Indicators (KPIs) as is set on them at the commencement of every financial year. The remuneration/compensation shall be determined by the Committee after considering the KPI achieved by EDs. The Committee may consider the recommendation of HR department while determining the remuneration to be paid to EDs.

The remuneration payable to EDs and Whole-time Directors shall be subject to the provisions of Section 197 and 198 of the Companies Act, 2013 or which may be mutually agreed.

3) Non-Executive Director/Independent Director

The Non-executive / Independent Directors (NEDs) of the Company may be paid sitting fees as per the applicable Regulations. Any revision in the quantum of sitting fees shall be subject to approval of Board of Directors of the Company. Further the travelling, boarding and lodging expenses, if any, shall be reimbursed to the Directors based out of Mumbai.

The profit-linked Commission may be paid within the monetary limit approved by the shareholders of the Company and subject to compliance with the provisions of Companies Act, 2013, if any. The aforesaid Commission shall be paid, subject to NEDs, satisfying the criteria approved by the Board for receiving remuneration.

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option (ESOPs) of the Company.

Where any insurance is taken by the Company on behalf of its KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Amendments to the Policy:

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure 4

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) AND 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

Sr. No	Name of Director/ KMP and Designation	Period	Remuneration of Director/KMP for financial year 2015-16 (Amount in Rs.)	% increase in remuneration in the financial year 2015-16	Ratio of remuneration of each Director to the median remuneration of employees
1.	Kunti Prakash Inani* Chief Financial Officer	1 st April 2015– 31 st Dec 2015	Rs. 38,18,520/-	Not Applicable [#]	Not Applicable ^{##}
2.	Mahesh Bhatt* Company Secretary	1 st April 2015– 31 st Dec 2015	Rs. 28,39,182/-	Not Applicable [#]	Not Applicable ^{##}

* Mr. Kunti Prakash Inani and Mr. Mahesh Bhatt are not on the payroll of the Company and are deputed by Lodha Developers Private Limited, holding Company. Their remuneration is being reimbursed by the Company to its holding company. Mr. Inani resigned as CFO w.e.f. 1st February, 2016.

[#] Since remuneration reimbursed by the Company during 2015-2016 were only for 9 months, % increase in remuneration will not be comparable. During previous year, Mr. Inani's remuneration aggregating to Rs. 44,24,610/- was reimbursed for full year and Mr. Mahesh Bhatt's remuneration aggregating to Rs. 5,22,149/- was reimbursed for the period from 29th January, 2015 to 31st March, 2015.

^{##} Since there were no employees on the rolls of the Company during the year under review, the criteria for increase in remuneration ratio of remuneration of each director to the median remuneration of employees are not applicable.

- (ii) There are no permanent employees on the rolls of Company and hence, the disclosure relating to percentage increase in the median remuneration of employees of the Company during the financial year ended 31st March, 2016 is not applicable;
- (iii) Since the Company has not paid any remuneration to any of its managerial personnel either in previous financial year or in current financial year, the point pertaining to average percentage increase / decrease in the salaries of employees other than the managerial personnel is not applicable.
- (iv) The key parameters for the variable component of remuneration availed by the directors is not applicable as none of the Directors draw any remuneration from the Company
- (v) It is hereby confirmed that the remuneration / reimbursement paid is as per the Remuneration Policy for Directors, Key managerial Personnel and other employees.
- (vi) Since there are no permanent employees of the Company, the Company is not required to disclose the details of employees pursuant to Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Sd/-
Nilesh Rawat
Managing Director
DIN: 06705140

Sd/-
Purnima Pavle
Director
DIN: 06705133

Registered Office

416, Anand Mangal Complex,
B/H, Omkar House, C.G. Road,
Navrangpura, Ahmedabad – 380009
Tel No: +91.22.61334517
Website: www.roselabsfinancelimited.in
CIN No: L67120GJ1995PLC024070
Email: roselabsfinance@lodhagroup.com

Place: Mumbai

Date: 2nd September, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
M/s. ROSELABS FINANCE LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **M/s. ROSELABS FINANCE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY:

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

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

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

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

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its Loss and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the Directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Clause 1 to 3 of Note 23 to the financial statements;
 - ii. The Company does not have any Long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. No amounts were required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR SHANKER AND KAPANI
Chartered Accountants
FIRM REGISTRATION NO.: 117761W

Sd/-
S. SANKAR
PARTNER
MEMBERSHIP NO: - 40476

PLACE:- MUMBAI
DATE:- 30 – MAY - 2016

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph (1) of our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2016 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, all fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations received by us, none of the immovable properties of the company are held as Fixed Assets. Therefore, in our opinion, the requirement on reporting under Clause 1 (c) is not applicable to the Company.
- (ii) 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. No Discrepancies were noticed on verification of inventories in dematerialized form as compared to book records.
- (iii) As the Company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under Section 189 of the Act, the provisions of Clause 3 (iii) of the Order are not applicable to the Company.
- (iv) In our Opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security in connection with any loan to any party covered under Section 185 of the Act. The Company being registered as non – banking financial company (NBFC) under Chapter IIIB of the Reserve Bank of India, 1934, the provisions of Section 186 of the act are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public.

(vi) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Act in respect of the activities carried on by the Company. Therefore, the provisions of Clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax which have not been deposited by the Company on account of disputes except for following:

Name of the statute	Nature of dues	Amount in (Rs.) Lakhs	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Tax and Interest	18.38	April 2011 to March 2012	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Penalty	7,635.36	April 2011 to March 2012	Commissioner of Income Tax (Appeals)

(viii) In our opinion and according to the information and explanations given to us, as the Company has not borrowed any money from Financial Institutions or Banks or Governments nor issued any debentures, the provisions of clause 3 (viii) of the Order are not applicable to the Company.

(ix) As the Company has neither raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) nor obtained any term loan from banks and financial institutions, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

(x) Based upon the audit procedures performed and information and explanations given by the management, we report that neither fraud on the Company by its officers or employees nor any fraud by the Company has been noticed or reported during the course of our audit.

(xi) As the Company has not paid or provided any managerial remuneration as defined under Section 197 of the Act during the year, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) As the Company is not a nidhi company, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of the Act, wherever applicable and details have been disclosed in the Financial Statements (refer Clause 8 of Note 23) as required by the applicable accounting standards.

(xiv) As the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, the provisions of clause (xiv) of the Order are not applicable to the Company.

(xv) As the Company has not entered into any non-cash transactions covered under Section 192 of the Act with the directors or persons connected with him, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934, vide registration no. 01.00190 dated 27th March, 1988.

FOR SHANKER AND KAPANI
Chartered Accountants
FIRM REGISTRATION NO.: 117761W

Sd/-
S. SANKAR
PARTNER
MEMBERSHIP NO: - 40476

PLACE:- MUMBAI
DATE:- 30 – MAY - 2016

ANNEXURE 'B' TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2 (F) OF THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS of Roselabs Finance Limited on the standalone financial statements for the year ended 31st March , 2016.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **M/s. ROSELABS FINANCE LIMITED** ('the Company') as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing down and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

FOR SHANKER AND KAPANI
Chartered Accountants
FIRM REGISTRATION NO.: 117761W

Sd/-
S. SANKAR
PARTNER
MEMBERSHIP NO: - 40476

PLACE:- MUMBAI
DATE:- 30 – MAY - 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Notes	As at 31/March/16 ₹ in Lakhs	As at 31/March/15 ₹ in Lakhs
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	1,000.00	1,000.00
Reserves and Surplus	3	(1,138.21)	(898.13)
		<u>(138.21)</u>	<u>101.87</u>
Non-Current Liabilities			
Long Term Provisions	4	1.25	1.94
		<u>1.25</u>	<u>1.94</u>
Current Liabilities			
Short-Term Borrowings	5	2,046.54	2,525.98
Trade Payables	6		
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		55.64	72.72
Other Current Liabilities	7	354.52	383.55
		<u>2,456.70</u>	<u>2,982.25</u>
		<u>2,319.74</u>	<u>3,086.06</u>
TOTAL			
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets (Net)			
Tangible Assets	8	-	-
Long-Term Loans and Advances	9	501.58	863.74
		<u>501.58</u>	<u>863.74</u>
Current Assets			
Current Investments	10	0.13	10.12
Inventories	11	406.28	683.96
Trade Receivables	12	1,200.00	1,200.00
Cash and Bank Balances	13	67.36	30.76
Short-Term Loans and Advances	14	57.96	158.59
Other Current Assets	15	86.43	138.89
		<u>1,818.16</u>	<u>2,222.32</u>
		<u>2,319.74</u>	<u>3,086.06</u>
TOTAL			
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements	1-24		

As per our attached Report of even date

For SHANKER AND KAPANI
Chartered Accountants
Firm Registration No. : 117761W

Sd/-

S. Sanker
Partner

Place : Mumbai
Date: 30th May, 2016

For and on behalf of the Board

Sd/-
Nilesh Rawat
Managing Director
(DIN: 06705140)

Sd/-
Purnima Pavle
Director
(DIN: 06705133)

Sd/-
Mahesh Bhatt
Company Secretary
(Membership No: A3552)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Notes	For the Year Ended 31/March/16 ₹ in Lakhs	For the Year Ended 31/March/15 ₹ in Lakhs
Revenue			
Revenue from Operations	16	817.78	1,354.84
Other Income	17	3.16	1.14
		820.94	1,355.98
Expenses			
Purchase of Stock-in-Trade	18	296.21	786.82
(Increase) / Decrease in Stock-in-trade	19	277.68	83.82
Employee Benefits Expense	20	75.90	65.30
Finance Costs	21	274.90	346.39
Depreciation and Amortization Expense	8	-	1.61
Other Expenses	22	137.40	22.92
		1,062.09	1,306.86
Profit / (Loss) Before Tax		(241.15)	49.12
Tax Expense			
Current Tax		-	(9.36)
MAT Credit Eligible for Set off		-	9.36
Profit / (Loss) After Tax		(241.15)	49.12
Prior Period Taxation Adjustments		1.06	-
Net Profit / (Loss) for the year		(240.09)	49.12
Earnings per Equity Share in ₹			
(Face Value of ₹10 per Equity Share)			
Basic and Diluted		(2.40)	0.49
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements	1-24		

As per our attached Report of even date

For SHANKER AND KAPANI
Chartered Accountants
Firm Registration No. : 117761W

Sd/-
S. Sanker
Partner

Place : Mumbai
Date: 30th May, 2016

For and on behalf of the Board

Sd/-
Nilesh Rawat
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(DIN: 06705140)

Sd/-
Purnima Pavle
Director
(DIN: 06705133)

Sd/-
Mahesh Bhatt
Company Secretary
(Membership No: A3552)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year Ended 31/March/16 ₹ in Lakhs	For the Year Ended 31/March/15 ₹ in Lakhs
Cash flow from Operating Activities		
Profit / (Loss) before tax	(241.15)	49.12
Adjustments for:		
Depreciation and Amortisation Expense	-	1.61
Sundry Balances written off/back (net)	2.80	(0.72)
Contingent Provisions against Standard Assets Written Back	(0.69)	(0.41)
Provision for Doubtful Advances	123.00	-
Finance Costs	193.80	197.79
Operating Profit before working capital changes	77.76	247.39
Increase in Trade Receivables	-	(1,191.90)
Decrease in Inventory	277.68	83.82
Decrease in Loans and Advances, Other Current Assets	399.50	644.33
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	(44.91)	54.66
Cash generated from / (used in) Operations	710.03	(161.71)
Income tax paid	3.80	(12.02)
Net Cash flow from / (Used in) Operating Activities (A)	713.83	(173.73)
Net cash flow from Investing Activities (B)	-	-
Cash flow from Financing Activities		
Proceeds from Borrowings	1,129.64	6,235.42
Repayment of Borrowings	(1,609.08)	(5,867.75)
Finance Costs Paid	(197.79)	(175.00)
Cash flow from / (Used in) Financing activities (C)	(677.22)	192.66
Net Increase in Cash and Cash Equivalents (A + B + C)	36.60	18.93
Add: Cash and Cash Equivalents at the beginning of the year	30.76	11.83
Cash and Cash Equivalents at the end of the year	67.36	30.76
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 SHANKER AND KAPANI
Chartered Accountants
Firm Registration No. : 117761W

Sd/-

S. Sanker
Partner

Place : Mumbai
Date: 30th May, 2016

For and on behalf of the Board

Sd/-
Nilesh Rawat
Managing Director
(DIN: 06705140)

Sd/-
Purnima Pavle
Director
(DIN: 06705133)

Sd/-
Mahesh Bhatt
Company Secretary
(Membership No: A3552)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1) Summary of Significant Accounting Policies

1 Basis of Accounting :

The financial statements have been prepared on an accrual basis under the historical cost convention and as a going concern in accordance with the Indian Generally Accepted Accounting Principles (GAAP) in compliance with the Accounting Standards as specified Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied by the Company.

2 Use of Estimates :

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates.

3 Fixed Assets :

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

The carrying amount of cash generating units / assets 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.

4 Depreciation :

a) Depreciation on Tangible Assets is provided on Written Down Value basis, at the rates determined with reference to useful lives specified in Schedule II of the Companies Act, 2013 except for carrying value of Tangible Fixed Assets as on 1st April, 2014 depreciated equally over the remaining useful life of the asset.

b) Depreciation on Additions / Deletions of assets is provided on a pro-rata basis.

5 Investments :

Investments are classified into non-current 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 a temporary nature.

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

6 Inventories :

Shares / Debentures:

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

7 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 settled.

In case of outstanding contracts as at the Balance Sheet date, mark to market difference is recognised in the case of losses and ignored in the case of profits, in accordance with the conservative principle of accounting.

8 Operating Cycle :

Assets and liabilities are classified into current and non-current based on the operating cycle.

9 Revenue Recognition :

- a) Revenue from Sale of Shares / Debentures are recognized upon transfer of significant risks and rewards to the buyers / Customers.
- b) Income of Contract / Support Services is recognised as per the terms of Contracts / Agreements.

10 Borrowing Costs :

Borrowing costs are recognized as an expense in the period in which they are incurred.

11 Foreign Exchange Transactions :

The transactions in foreign exchange are recorded at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities in foreign currency are translated at the exchange rate prevailing at the date of the Balance Sheet. Any exchange gains or losses arising on the translation or settlement of such transaction are accounted for in the Statement of Profit and Loss.

12 Leases :

Where the Company is Lessee:

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.

Where the Company is Lessor:

Assets representing operating lease arrangements are included in Fixed Assets / Inventory. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Cost, including depreciation is recognised as an expense in the Statement of Profit and Loss.

13 Taxation :

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

MAT asset is recognized when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a virtual / reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

14 Provisions and Contingent Liabilities :

Provisions are recognized 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 TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31/March/16 ₹ in Lakhs		As at 31/March/15 ₹ in Lakhs	
	Numbers	Amount	Numbers	Amount
2) Share Capital				
(A) Authorised				
Equity Shares of ₹ 10 each	11,000,000	1,100.00	11,000,000	1,100.00
(B) Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid up	10,000,000	1,000.00	10,000,000	1,000.00
		1,000.00		1,000.00
(C) Reconciliation of Number of Shares and Amount :				
Equity Shares of ₹ 10 each				
As per last Financial Statement	10,000,000	1,000.00	10,000,000	1,000.00
Changes during the year	-	-	-	-
	10,000,000	1,000.00	10,000,000	1,000.00

(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.

(E) Shares held by and Shareholder holding more than 5%

	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares				
Arihant Premises Private Limited, the holding Company	7,424,670	74.25%	7,424,670	74.25%
	7,424,670	74.25%	7,424,670	74.25%

3) Reserves and Surplus

Statutory Reserve

(As per Section 45-IC of Reserve Bank of India Act, 1934 *)

As per last Financial Statement

15.10

5.27

Add:- Transferred from Statement of Profit and Loss

-

9.82

15.1015.10

Deficit in the Statement of Profit and Loss

As per last Financial Statement

(913.22)

(952.98)

Add:-Profit/(Loss) as per the annexed Statement of Profit and Loss

(240.09)

49.12

Less :-Adjustment as per Schedule II of Companies Act, 2013

-

(0.46)

Less:-Transfer to Statutory Reserve

-

(9.82)

(1,153.31)(913.22)**Total (a + b)****(1,138.21)****(898.13)**

* 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.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31/March/16 ₹ in Lakhs	As at 31/March/15 ₹ in Lakhs
4) Long Term Provisions		
Contingent Provisions against Standard Assets *	1.25	1.94
	1.25	1.94
5) Short-Term Borrowings		
A Unsecured		
Repayable on demand		
i) From Related Parties	1,746.54	2,225.98
Rate of Interest 12% - (Previous year 12%) (Refer Clause 8 (B)(ii) of Note 23)		
ii) From a Body Corporate	300.00	300.00
Rate of Interest - 14% (Previous year 14%)		
	2,046.54	2,525.98
6) Trade Payables		
Total Outstanding dues of micro enterprises and small enterprises *	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	55.64	72.72
	55.64	72.72

* There is no interest paid during the year and no principal and interest is outstanding to Micro, Small and Medium Enterprises as on Balance Sheet Date.

7) Other Current Liabilities

Interest accrued but not due on borrowings	325.34	377.05
Other Payables		
Duties and Taxes	25.18	5.22
Other Liabilities	4.00	1.28
	354.52	383.55

8) Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block (At cost)				Depreciation / Amortisation				Net Block	
	As at 01/April/15	Additions	Disposal/ Adjustments	As at 31/March/16	Upto 31/March/15	For the year	Disposal/ Adjustments	Upto 31/March/16	As at 31/March/16	As at 31/March/15
Tangible Assets:										
Office Equipment	0.52	-	-	0.52	0.52	-	-	0.52	-	-
Computer	4.96	-	-	4.96	4.96	-	-	4.96	-	-
Total	5.48	-	-	5.48	5.48	-	-	5.48	-	-
Previous Year	5.48	-	-	5.48	4.34	1.61	0.46	5.48	-	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

		As at 31/March/16 ₹ in Lakhs	As at 31/March/15 ₹ in Lakhs
9) Long-Term Loans and Advances			
(Unsecured, Considered good unless otherwise stated)			
Loans to Body Corporates and Others (Net of Provision of ₹ 123 Lakhs; Previous Year Nil)		417.15	776.57
Income Tax Payments (Including MAT credit eligible for set off of ₹ 10.35 Lakhs; Previous Year ₹ 9.36 Lakhs and Net of Income tax provision of ₹10.35 Lakhs ; Previous Year ₹ 10.42 Lakhs)		84.43	87.17
		501.58	863.74
10) Current Investments (at lower of Cost or Fair Value)			
Unquoted, Fully paid	Units	Face Value (in ₹)	
In Mutual Funds			
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	126	10	0.13
	(118)		0.12
Union Kbc Capital Protection Orient	-	10	-
	(100,000)		10.00
			0.13
			10.12
11) Inventories			
(at lower of cost and net realisable value)			
Stock in Trade			
Shares			101.41
Debentures			582.55
			406.28
			683.96
12) Trade Receivables			
(Unsecured, Considered good)			
Outstanding for a period Less than six months from the date they became due for payment		1,200.00	1,200.00
		1,200.00	1,200.00
13) Cash and Bank Balances			
Cash and Cash Equivalents			
Balance with Bank		67.36	30.72
Cash on Hand		-	0.04
		67.36	30.76

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31/March/16 ₹ in Lakhs	As at 31/March/15 ₹ in Lakhs
14) Short-Term Loans and Advances (Unsecured, Considered good)		
Margin Money against Equity Derivative Transactions	57.92	154.69
Deposits	-	3.90
Prepaid Expenses	0.04	-
	<u>57.96</u>	<u>158.59</u>
15) Other Current Assets		
Interest Receivables	86.43	138.89
	<u>86.43</u>	<u>138.89</u>
	For the Year Ended 31/March/16 ₹ in Lakhs	For the Year Ended 31/March/15 ₹ in Lakhs
16) Revenue from Operations		
Sale of Shares	261.13	1,064.17
Sale of Debentures	353.23	0.70
Profit/(Loss) on Equity / Currency Derivatives Trading	80.96	(1,073.57)
Dividend Income on Stock in Trade	2.72	1.93
Interest Income - on Loans and Others (including Processing Fees)	93.29	160.54
Interest Income - on Debentures Held as Stock in Trade	26.45	-
Advisory Services *	-	1,200.00
Profit on sale of Short term Investment	-	1.07
	<u>817.78</u>	<u>1,354.84</u>
* Refer Clause 5 of Note 23		
17) Other Income		
Dividend Income - Current Investments	2.22	0.01
Sundry Balances written back (net)	-	0.72
Contingent Provisions against Standard Assets written back	0.69	0.41
Interest on Income Tax Refund	0.25	-
	<u>3.16</u>	<u>1.14</u>
18) Purchase of Stock-in-Trade		
Equity Shares	296.21	186.82
Debentures	-	600.00
	<u>296.21</u>	<u>786.82</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year Ended 31/March/16 ₹ in Lakhs	For the Year Ended 31/March/15 ₹ in Lakhs
19) (Increase) / Decrease in Stock-in-trade		
Opening stock		
Shares	101.41	767.78
Debentures	582.55	-
Less: Closing Stock		
Shares	(156.28)	(101.41)
Debentures	(250.00)	(582.55)
	277.68	83.82
20) Employee Benefits Expense		
Salaries and Wages (on Deputation)	75.90	65.30
	75.90	65.30
21) Finance Costs		
Interest Expense on:		
Borrowings and Others	274.90	346.39
	274.90	346.39
22) Other Expenses		
Rent	-	4.29
Rates and Taxes	2.59	2.30
Printing and Stationery	0.53	0.56
Postage / Telephone / Internet	0.11	-
Legal and Professional	4.54	10.52
Payments to the Auditors (excluding Service Tax) as:		
Audit Fees	1.00	0.50
Advertising	1.97	1.59
Provision for Doubtful Advances	123.00	-
Irrecoverable Balances Written Off (net)	2.80	-
Miscellaneous Expenses	0.86	3.16
	137.40	22.92

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Note 23

Other Notes on Accounts

- 1 Contingent Liability not provided for in respect of:

(₹ in Lakhs)

Particulars	As at 31/March/16	As at 31/March/15
Disputed Income Tax Liability	18.38	18.38

- 2 Penalties under section 271D and 271E of the Income Tax Act, 1961 have been levied by the Income Tax Department for the various Assessment years.

Penalties levied by the department on similar facts have been deleted by the Appellate authorities. This is also supported by the decision of Hon'ble Delhi High Court in the case of CIT vs Worldwide Township Projects Ltd and by Hon'ble Supreme Court in the case of CIT vs Dinesh Jain. Further, on the basis of expert legal opinion obtained by the management the levy of penalty is not sustainable and consequently provision for the same is not considered necessary by the management.

- 3 The Company had filed an appeal with Securities Appellate Tribunal (SAT) challenging the order passed by SEBI for imposing penalty of ₹ 253.72 Lakhs (Previous year ₹ 253.72 Lakhs) on the Company for the period October 06, 2003 to January 28, 2004, for alleged violations of certain provisions of SEBI Regulations, when the Company was under the control of earlier promoters.

SAT by its order dated 21st March 2016, remanded the matter back to SEBI for deciding case afresh based on merits.

- 4 Lease:

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

Assets taken on cancellable lease:

- a) The Company has taken commercial premises under cancellable Operating Lease. The Lease Agreement is usually renewable by mutual consent on mutually agreeable terms.
- b) The rental expenses in respect of cancellable Operating Lease is charged as rent amounting to Nil (previous year ₹ 4.29 lakhs) Refer Note 22.

- 5 Earnings in Foreign Currency :

(₹ in Lakhs)

Inflow	2015-16	2014-15
Advisory Services	-	1,200.00

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

Name of Equity Index Futures	No. of Units	
	Long	Short
FUTIDX-BANKNIFTY	-	1,200
	(-)	(2,700)
FUTIDX-NIFTY	-	5,550
	(-)	(1,000)
OPTIDX-BANKNIFTY -28APR2016 - CE -16000	-	600
	(-)	(-)
OPTIDX-NIFTY - PE - 8400	-	-
	(-)	(7,000)
OPTIDX-BANKNIFTY - PE - 17500	-	-
	(-)	(2,000)
OPTIDX-BANKNIFTY - PE - 18000	-	-
	(-)	(2,000)
OPTIDX-BANKNIFTY - PE - 18500	-	-
	(-)	(2,000)

7 Segment Reporting :

The Company has identified three reportable segments viz. Trading in Securities, Financing Activity and Advisory Services. 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)

Nature of Transactions	Trading in Securities	Financing Activity	Advisory Services	Total
Segment Revenue	724.49	93.29	-	817.78
	(-5.70)	(160.54)	(1,200.00)	(1,354.84)
Segment Results	150.60	(95.29)	-	55.30
	(-876.34)	(12.36)	(1,200.00)	(336.02)
Less : Unallocated Expenses net of Unallocated Income				(87.83)
				(-89.10)
Operating Profit				(32.52)
				(246.92)
Less : Finance Costs				(208.63)
				(-197.79)
Profit / (Loss) Before Taxes				(241.15)
				(49.12)
Less : Tax Expenses (including prior period Adjustment)				1.06
				-
Net Profit / (Loss) for the year				(240.09)
				(49.12)
Segment Assets	467.14	500.63	1,200.00	2,167.77
	(838.65)	(915.45)	(1,200.00)	(2,954.10)
Unallocated Assets				151.97
				(131.96)
Total Assets				2,319.74
				(3,086.06)
Segment Liabilities	-	444.23	-	444.23
	(-)	(909.67)	(-)	(909.67)
Unallocated Liabilities				1,958.09
				(2,074.52)
Total Liabilities				2,402.32
				(2,984.19)
Unallocated Capital Expenditure incurred during the year				-
				(-)
Depreciation and Amortisation				-
				(-)
Unallocated depreciation and amortisation				-
				(1.61)

8 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)

i) Individuals / Enterprises Controlling the Company & their Relatives

- a) Controlling Shareholder
Mr. Mangalprabhat Lodha
- b) Ultimate Holding Company
Sambhavnath Infrabuild and Farms Pvt. Ltd. (Holding company of LDPL)
- c) Holding Companies
Lodha Developers Pvt. Ltd. (LDPL) (Holding company of APPL)
Arihant Premises Pvt. Ltd. (APPL) (Holding company)

ii) Entities as at 1st April, 2015

a) Fellow Subsidiaries

- Aanant Developers Pvt. Ltd.
- Adinath Builders Pvt. Ltd.
- Ajitnath Hi-Tech Builders Pvt. Ltd. (Demerged with Shri Kailas Properties and Agrofarms Pvt. Ltd. w.e.f. 02-April-16, Appointed date being 01-April-15)
- Anantnath Constructions And Farms Pvt. Ltd.
- Bellissimo Hi-Rise Builders Pvt. Ltd. (Formerly known as Lodha Hi-Rise Builders Pvt. Ltd.)
- Cowtown Land Development Pvt. Ltd.
- Dalhousie Leasing And Financial Services Private Limited
- Hi-Class Buildcon Pvt. Ltd.
- Hotel Rahat Palace Pvt. Ltd.
- Ishwer Realty and Technologies Pvt. Ltd.
- Jawala Real Estate Pvt. Ltd.
- Kidderpore Holdings Ltd.
- Krona Realities Pvt. Ltd. (merged with Sarvavasa Buildtech and Farms Pvt. Ltd. w.e.f. 08-April-2016, Appointed date being 01-November-14)
- Kundan Realtors Pvt. Ltd.
- Lodha Aviation Pvt. Ltd.
- Lodha Buildcon Pvt. Ltd.
- Lodha Building and Construction Pvt. Ltd.
- Lodha Crown Buildmart Pvt. Ltd.
- Lodha Designer Construction Pvt. Ltd. (merged with Shree Sainath Enterprises Construction and Developers Pvt. Ltd. w.e.f 25-May-16, Appointed date being 01-November-15)
- Lodha Developers 1GSQ Ltd.
- Lodha Developers 48CS Ltd.
- Lodha Developers Dorset Close Ltd.
- Lodha Developers International (Jersey) I Holdings Ltd.
- Lodha Developers International (Jersey) III Ltd.
- Lodha Developers International (Netherlands) B. V.
- Lodha Developers International Holding Ltd.
- Lodha Developers International Ltd.
- Lodha Developers UK Ltd.
- Lodha Elevation Buildcon Pvt. Ltd.
- Lodha Estate Pvt. Ltd.
- Lodha Home Developers Pvt. Ltd. (merged with Shree Sainath Enterprises Construction and Developers Pvt. Ltd. w.e.f 25-May-16, Appointed date being 01-November-15)
- Lodha Ideal Buildcon Pvt. Ltd. (merged with Suryakrupa Construction Pvt. Ltd. w.e.f. 08-June-16)
- Lodha Impression Real Estate Pvt. Ltd.
- Lodha Land Developers Pvt. Ltd.
- Lodha Properties Development Pvt. Ltd.
- Mahavir Premises Pvt. Ltd.

- Microtec Constructions Pvt. Ltd.
 Nabhiraja Software Design Pvt. Ltd.
 National Standard (India) Ltd.
 Odeon Theatres and Properties Pvt. Ltd.
 Odeon Theatres Pvt. Ltd.
 Palava City Management Pvt. Ltd.
 Palava Dwellers Pvt. Ltd.
 Samvara Buildtech Pvt. Ltd.
 Sanathnagar Enterprises Ltd.
 Sarvavasa Buildtech and Farms Pvt. Ltd.
 Shree Sainath Enterprises Construction and Developers Pvt. Ltd.
 Shreeniwas Cotton Mills Ltd.
 Siddhnath Residential Paradise Pvt. Ltd.
 Simtools Pvt. Ltd.
 Sitaldas Estate Pvt. Ltd.
 Suryakrupa Constructions Pvt. Ltd.
 Tropical Adventures Ltd.
- b) Limited Liability Partnership under Contol:
 Lodha Fincorp Distribution Services LLP
- c) Partnership Firms Under Control:
 Mahavir Associates
 Vivek Enterprises
- iii) Entities added during the
 Fellow Subsidiary
 Shri Kailas Properties & Agrofarms Pvt. Ltd. **From**
16/August/15
- iv) Entities ceased / Struck off during the year
 Fellow Subsidiaries **Upto**
 Manan Finserve Pvt. Ltd. 27-March-2016
 Lodha Finserve Pvt. Ltd. (formerly known as Sai Ishwer Finvest Pvt. Ltd.) 27-March-2016
 Shreeniwas Abode and House Pvt. Ltd. 04-March-2016
- v) Key Management Personnel:
 Nilesh Rawat

B. Transactions during the year and Balances Outstanding as at the year ended 31st March, 2016 with related parties are as follows:

(i) Transactions:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Holding Company	Fellow Subsidiaries	Others
1	Loans taken	- (-)	1,129.64 (6,235.42)	- (-)
2	Interest Expenses	- (-)	232.20 (301.94)	- (-)
3	Amount paid on behalf by	- (-)	4.00 (5.28)	- (-)
4	Reimbursements Given	46.46 (65.81)	29.44 (-)	- (-)

(ii) Outstanding Balances :

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Holding Company	Fellow Subsidiaries	Others
1	Loans Taken	- (-)	1,746.54 (2,225.98)	- (-)
2	Interest accrued but not due on borrowings	- (-)	211.94 (301.45)	- (-)
3	Trade Payables	25.16 (70.54)	29.44 (-)	- (-)
4	Other Liabilities	- (-)	4.00 (1.28)	- (-)

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

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Particulars	2015-16	2014-15
1	Loans taken	Jawala Real Estate Pvt. Ltd.	1,129.64	5,995.42
		Lodha Buildcon Pvt. Ltd.	-	240.00
2	Interest Expenses	Jawala Real Estate Pvt. Ltd.	202.61	290.97
		Lodha Buildcon Pvt. Ltd.	29.59	10.97
3	Amount paid on behalf by	Arihant Premises Pvt. Ltd.	4.00	5.28
4	Reimbursements Given	Lodha Developers Pvt. Ltd.	25.16	65.81
		Nabhiraja Software Design Pvt. Ltd.	29.44	-

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

- 9 Consequent to resignation of Mr. Kuntiprakash Inani as the CFO of the Company during financial year 2015-2016, the Company is in the process of appointing new CFO in terms of Section 203 of the Companies Act, 2013 and rules framed thereunder.
- 10 In terms of Accounting Standard 22 'Accounting for taxes on Income, the Company does not have any deferred tax.

11 Basic and Diluted Earnings per share

			2015-2016	2014-2015
a)	Net Profit / (Loss) for the year	(₹ in Lakhs)	(240.09)	49.12
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	(₹)	(2.40)	0.49

- 12 Balance in certain accounts of trade payables are subject to reconciliation/confirmation.

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

- b) Figures in brackets are related to previous year.

24) 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, 2015).

Liabilities side :		(₹ in Lakhs)	
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
a	Debentures:		
	Secured :	-	-
		(-)	(-)
	Unsecured :	-	-
	(other than falling within the meaning of public deposits)	(-)	(-)
b	Deferred Credits	-	-
		(-)	(-)
c	Term Loans	-	-
		(-)	(-)
d	Inter-corporate loans and borrowing	2,371.88	-
		(2,903.03)	(-)
e	Commercial Paper	-	-
		(-)	(-)
f	Other Loans (specify nature) From a Director	-	-
	* Please see note 1 below.	(-)	(-)

Assets side :		Amount outstanding
2	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):	
a	Secured	-
		(-)
b	Unsecured	475.07
		(931.26)

3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities.

a	Lease assets including lease rentals under sundry debtors :	
	Financial lease	-
		(-)
	Operating lease	-
		(-)
b	Stock on hire including hire charges under sundry debtors:	
	Assets on hire	-
		(-)
	Repossessed Assets	-
		(-)
c	Other Loans counting towards AFC activities :	
	Loans where assets have been repossessed	-
		(-)
	Loans other than above	-
		(-)

4 Break-up of Investments

		Amount outstanding
a	Current Investments :	
I	Quoted:	
	(i) Shares :	
	Equity	-
		(-)
	Preference	-
		(-)
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of mutual funds	-
		(-)
	(iv) Government Securities	-
		(-)
	(v) Others (please specify)	-
		(-)
II	Unquoted:	
	(i) Shares :	
	Equity	-
		(-)
	Preference	-
		(-)
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of mutual funds	0.13
		(10.12)
	(iv) Government Securities	-
		(-)
	(v) Others (please specify)	-
		(-)
b	Long Term investments	
I	Quoted:	
	(i) Shares :	
	Equity	-
		(-)
	Preference	-
		(-)
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of mutual funds	-
		(-)
	(iv) Government Securities	-
		(-)
	(v) Others (please specify)	-
		(-)

II	Unquoted:	
	(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)
a	Related Parties			
	(i) Subsidiaries	-	-	-
		(-)	(-)	(-)
	(ii) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(iii) Other related parties	-	-	-
		(-)	(-)	(-)
b	Other than related parties	-	475.07	475.07
		(-)	(931.26)	(931.26)

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)
a	Related Parties **		
	(i) Subsidiaries	-	-
		(-)	(-)
	(ii) Companies in the same group	-	-
		(-)	(-)
	(iii) Other related parties	-	-
		(-)	(-)
b	Other than related parties	0.13	0.13
		(10.12)	(10.12)
	Total	0.13	0.13
		(10.12)	(10.12)

7 Other Information

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

NOTES :

- a As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- b Non-Deposit taking Non-Banking Financial Company (As required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015).
- c All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value net asset value in respect of unquoted investment should be disclosed irrespective of whether they are classified as long term or current in column(4) above.

As per our attached Report of even date

For SHANKER AND KAPANI
Chartered Accountants
Firm Registration No. : 117761W

Sd/-

S. Sanker
Partner

Place : Mumbai

Date: 30th May, 2016

For and on behalf of the Board

Sd/-
Nilesh Rawat
Managing Director
(DIN: 06705140)

Sd/-
Purnima Pavle
Director
(DIN: 06705133)

Sd/-
Mahesh Bhatt
Company Secretary
(Membership No: A3552)

ROSELABS FINANCE LIMITED

Regd Office : 416, Anand Mangal Complex, Behind Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380 009
CIN: L67120GJ1995PLC024070 E-Mail : roselabsfinance@lodhagroup.com Website :www.roselabsfinancelimited.in
Phone No.: +91 22 6133 4517

FORM NO. MGT-11

PROXY FORM

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

CIN : L67120GJ1995PLC024070
Name of the Company : Roselabs Finance Limited
Registered Office : 416, Anand Mangal Complex, Behind Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380 009
Name of the Member(s) :
Registered address :
E-mail Id :
Folio No. /Client Id & DP. Id :
I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

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

2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 at 12.30 P.M. at: 401, Anand Mangal Complex, Behind Omkar House, C. G. Road, Navrangpura, Ahmedabad- 380 009 and at any adjournment thereof in respect of such resolutions as are indicated below:

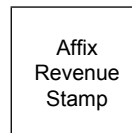
* I wish my above Proxy to vote in the manner as indicated in the box below:

S.No	Resolutions	For	Against
1.	Consider and Adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2.	Re-appointment of Mr. Nilesh Rawat as Director, retiring by roatation		
3.	Appointment of Statutory Auditor to fill casual vacancy		
4.	Appointment of Statutory Auditor		

Signed this.....day of2016

Signature of shareholder(s) :

Signature of Proxy holder(s) :



Notes:

- This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty First Annual General Meeting.
- *3. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Kindly affix revenue stamp of not less than Re. 1 on the proxy form before depositing at the registered office.

Route Map to the AGM Venue



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

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