

# ROSELABS FINANCE LIMITED

24<sup>th</sup> Annual Report  
2017 – 2018

*In view of green initiatives initiated by the Govt. of India, Ministry of Corporate Affairs, we request you to register your email ID with the Registrar and Share Transfer Agent, if you are holding shares in Physical mode and with your Depository Participant, if you are holding shares in dematerialised form. We also request all shareholders, who hold equity shares in physical mode, to open demat accounts and convert their physical holdings into demat on or before December 5, 2018.*

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Ms. Sanjyot Rangnekar	Chairperson - Non-Executive Director
Mr. Nilesh Rawat	Managing Director
Mr. Santosh Ojha	Chairman (Independent Director) (resigned w.e.f. April 3, 2018)
Ms. Purnima Pavle	Non-Executive Director (resigned w.e.f. May 30, 2017)
Mr. Prakash Bhat	Independent Director (resigned w.e.f. February 7, 2018)
Mr. Prakash Vaghela	Independent Director (appointed w.e.f. February 7, 2018)
Mr. Mayank Padiya	Independent Director (appointed w.e.f. May 21, 2018)

**KEY MANAGERIAL PERSONNEL**

Ms. Purnima Pavle	Chief Financial Officer
Mr. Mahesh Bhatt	Company Secretary (resigned w.e.f. May 21, 2018)
Ms. Uma Hirameth	Company Secretary (appointed w.e.f. May 21, 2018)

**BANKERS**

HDFC Bank Limited  
Kotak Mahindra Bank Limited  
Bank of Baroda

**REGISTERED OFFICE**

401, Akshat Complex, Nr. Parshwa Complex, Bodakdev,  
Gandhi Nagar Sarkhej Highway, Ahmedabad – 380 015  
Website: [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in)  
E-mail: [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com)

**REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime India Private Limited  
C101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083  
Tel No: 022- 4918 6000  
Email Id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

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## NOTICE

**Notice** is hereby given that the **24<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of Roselabs Finance Limited will be held on Tuesday, September 25, 2018 at 02.30 p.m. at 401, Akshat Complex, Nr. Parshwa Complex, Bodakdev, Gandhi Nagar, Sarkhej Highway, Ahmedabad – 380 015 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the reports of the Board of Directors and the Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2. To appoint a director in place of Ms. Sanjyot Rangnekar (DIN: 07128992), who retires by rotation and being eligible, offers herself for re-appointment, and in this regard pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Sanjyot Rangnekar (DIN: 07128992), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS

3. **Appointment of Mr. Prakash Vaghela (DIN 07768595) as an Independent Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Prakash Vaghela (DIN: 07768595), who was appointed as an Additional Director w.e.f February 7, 2018 be and is hereby appointed as an Independent Director on the Board of the Company for the first term of 5 years to hold office upto February 6, 2023, not liable to retire by rotation.”

4. **Appointment of Mr. Mayank Padiya (DIN 07145403) as an Independent Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Mayank Padiya (DIN: 07145403), who was appointed as an Additional Director w.e.f May 21, 2018 be and is hereby appointed as an Independent Director on the Board of the Company for the first term of 5 years to hold office upto May 20, 2023, not liable to retire by rotation.”

5. **Change of registered office of the Company from the State of Gujarat to the State of Maharashtra**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 12 and Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, including any statutory modification and re-enactment thereof and subject to the approval of the relevant authority, the registered office of the Company be and is hereby shifted from 401, Akshat Complex, Nr. Parshwa Complex, Bodakdev, Gandhi Nagar Sarkhej Highway, Ahmedabad – 380 015 in the State of Gujarat to 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai - 400 001 in the State of Maharashtra;

**RESOLVED FURTHER THAT** Clause II of the Memorandum of Association of the Company be altered by substituting the word “in the state of Gujarat” to “in the State of Maharashtra i.e. within the jurisdiction of Registrar of Companies, Maharashtra at Mumbai;

**RESOLVED FURTHER THAT** that Board be and is hereby authorized to undertake all such acts, deeds, matters, and things and to execute all such deeds, documents, and writing as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Officer(s) of the Company in order to give effect to this resolution.”

#### 6. Alteration of Object Clause of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013 read along with the rules framed there under (including any statutory modifications, amendments and re-enactments thereof for the time being in force) and subject to such other requisite approvals, if any, in this regard from appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee or one or more Directors), the consent of the members of the Company be and is hereby accorded for alteration of the Objects Clause of the Memorandum of Association (“MOA”) of the Company such that the existing Clause III A, Clause III B and Clause III C of the MOA of the placed Company be altered by replacing and substituting the same with the new clauses viz. Clause III (a) and Clause (III) (b) as place before the meeting;

**RESOLVED FURTHER THAT** that Board be and is hereby authorized to undertake all such acts, deeds, matters, and things and to execute all such deeds, documents, and writing as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Officer(s) of the Company in order to give effect to this resolution.”

#### 7. Change of Name of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 13 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 and subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary, consent of the members be and is hereby accorded to change:-

- i. the name of the Company from “Roselabs Finance Limited” to “Roselabs Real Estate Limited” or such other name as may be made available by the Registrar of Companies/Central Registration Centre, Ministry of Corporate Affairs and that the name of the Company shall be “Roselabs Real Estate Limited” with effect from the date of issue of fresh certificate of incorporation by the Registrar of Companies, in that behalf;
- ii. the name clause of memorandum of association be amended by deleting the existing clause I and replacing the following new clause I in its place-
  - I. The name of the Company is Roselabs Real Estate Limited.
- iii. the name Roselabs Finance Limited wherever it appears in articles of association, share certificates and such other documents be substituted by the new name Roselabs Real Estate Limited in due course;

**RESOLVED FURTHER THAT** that Board be and is hereby authorized to undertake all such acts, deeds, matters, and things and to execute all such deeds, documents, and writing as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Officer(s) of the Company in order to give effect to this resolution.”

#### **NOTES:**

- 1) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 3 to 7 above and the relevant details of the Directors seeking re-appointment/appointment under Item Nos. 2,3 and 4 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.** Proxies, in order to be effective, must be received at the registered office of the Company, duly completed, stamped and signed, not less 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, partnership firms, etc., must be supported by an appropriate resolution / authority, as applicable.

- 3) A person can act as proxy on behalf of member 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.
- 4) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
- 5) 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) 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, C101, 247 Park, L.S. Marg, Vikhroli (West), Mumbai - 400 083, Tel No: 022-4918 6000 Email Id: [evoting@linkintime.co.in](mailto:evoting@linkintime.co.in) enclosing their original share certificate to enable them to consolidate the holdings into one folio.
- 10) The Register of Members and Share Transfer Books of the Company would remain closed from Thursday September 20, 2018 to Tuesday September 25, 2018 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
- 11) 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.
- 12) 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.
- 13) 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 Link Intime India Private Limited, Registrar and Transfer Agent (R&T Agent) 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 Agent of the Company quoting their folio number(s).
- 14) 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 R&T Agent, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to R&T Agent of the Company.

- 15) 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.
- 16) Members holding shares of the Company as on Tuesday September 18, 2018, 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.

**E-voting**

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 read with 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote on business proposed to be transacted 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). The details of the process and manner of e-voting along with the user ID and Password are being sent to all the Members along with the Notice.
- (ii) The facility for voting through ballot paper shall be made available at the AGM premises 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 Thursday, September 20, 2018 (9:00 am) and ends on Monday, September 24, 2018 (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 Tuesday September 18, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked 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) 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).
- (vi) 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 Tuesday, September 18, 2018.
- (vii) 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. Tuesday, September 18, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting than you can use your existing user ID and password for casting your vote.
- (viii) A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and the Ballot form shall be treated as invalid.
- (ix) 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.
- (x) The Company has appointed Mr. Sharatkumar Shetty, Practising Company Secretary, as scrutinizer for conducting the remote e-voting process and also for conducting voting process by means of Ballot Paper at the AGM in a fair and transparent manner.
- (xi) The Chairman shall, at the Annual General Meeting, at the end of discussion on the business matters 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.

- (xii) The scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting through ballot paper and the scrutinizer will thereafter unblock the votes cast through remote e-voting, in the presence of atleast two witnesses not in the employment of the Company and not later than three days of the conclusion of the AGM, scrutinizer will submit its report on the total votes cast in favour or against, if any, to the Chairman/Managing Director or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- (xiii) The Results declared along with the report of the Scrutinizers shall be placed on the website of the Company [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in) and on the website of the NSDL immediately after the declaration of result by the Chairman/Managing Director or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange (BSE Limited).

**By Order of the Board of Directors**

**Uma Hiremath  
Company Secretary  
Membership No.: A29819**

**Registered Office**

401, Akshat Complex,  
Nr. Parshwa Complex Bodakdev,  
Gandhi Nagar Sarkhej Highway, Ahmedabad – 380015  
Tel No: +91.22. 23024400  
Website: [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in)  
CIN No: L67120GJ1995PLC024070  
Email: [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com)

**Place: Mumbai**

**Date: May 21, 2018**

## EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the special business mentioned the accompanying Notice:

### Item 3: Appointment of Mr. Prakash Vaghela (DIN 07768595) as an Independent Director

The Board of Directors of the Company on February 7, 2018, had appointed Mr. Prakash Vaghela (DIN: 07768595) as an Additional Director of the Company, categorised as Independent Director, in terms of Section 161 of the Companies Act, 2013 ("Act").

Mr. Prakash Vaghela is a member of the Institute of Chartered Accountants of India and has diverse experience in preparing financial statements, Tax returns in various industries. He also has significant experience in Statutory Auditing and Assurance practice, including corporate law compliance requirements. Mr Prakash Vaghela is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Mr. Prakash Vaghela that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Nomination & Remuneration Committee has recommended the appointment of Mr. Prakash Vaghela as an Independent Director for a term of 5 years. Based on the recommendation of the Nomination and Remuneration Committee and after reviewing the declaration submitted by Mr. Prakash Vaghela, the Board of Directors of the Company has formed an opinion that Mr. Prakash Vaghela meets the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets the requirements of Regulation 16 of Listing Regulations, and that he is independent of the management and possesses appropriate skills, experience and knowledge and accordingly the board has proposed his appointment as an Independent Director of the Company.

A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr. Prakash Vaghela, is available for inspection, without any fee, by the members at the Company's registered office and corporate office on all working days, excluding Saturday, Sunday and public holidays between 11.00 A.M. and 1.00 P.M. upto and including the date of the AGM.

Except Mr. Prakash Vaghela and his relatives, none of the other Directors /Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the notice.

The Board recommends the resolution set forth in Item No. 3 of the notice for approval of the members.

### Item 4: Appointment of Mr. Mayank Padiya (DIN 07145403) as an Independent Director

The Board of Directors of the Company on May 21, 2018, had appointed Mr. Mayank Padiya (DIN:07145403) as an Additional Director of the Company, categorised as Independent Director, in terms of Section 161 of the Companies Act, 2013 ("Act").

Mr. Mayank Padiya is a member of the Institute of Company Secretaries of India and also a graduate in Bachelor of business of administration from Saurashtra University and has experience in field of Legal and Secretarial work. Mr. Mayank Padiya is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Mr. Mayank Padiya that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Nomination & Remuneration Committee has recommended the appointment of Mr. Mayank Padiya as an Independent Director for a term of 5 years. Based on the recommendation of the Nomination and Remuneration Committee and after reviewing the declaration submitted by Mr. Mayank Padiya, the Board of Directors of the Company has formed an opinion that Mr. Mayank Padiya meets the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets the requirements of Regulation 16 of Listing Regulations, and that he is independent of the management and possesses appropriate skills, experience and knowledge and accordingly the board has proposed his appointment as an Independent Director of the Company.

A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr. Mayank Padiya, is available for inspection, without any fee, by the members at the Company's registered office and corporate office on all working days, excluding Saturday, Sunday and public holidays between 11.00 A.M. and 1.00 P.M. upto and including the date of the AGM.

Except Mr. Mayank Padiya and his relatives, none of the other Directors /Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the notice.

The Board recommends the resolution set forth in Item No. 4 of the notice for approval of the members.

### Item No. 5: Change of registered office of the Company from the State of Gujarat to the State of Maharashtra

As per provisions of Section 12(5) of the Companies Act, 2013 shifting of registered office of a Company from one state to another state requires approval of shareholders by way of Special Resolution.

The Registered Office of the Company is situated in the State of Gujarat. The Lodha Group is mainly based in the State of Maharashtra. The corporate office of the Company as well as of the Group is also located in Mumbai. As such there are no activities in the state of Gujarat where the registered office is situated, it is difficult for the Company to administer and operate from Mumbai.

In view of the above, the Board of Directors in its meeting held on May 21, 2018, approved shifting of the Registered Office of the Company from the State of Gujarat to the State of Maharashtra. Accordingly, the Board recommends the resolution at Item No. 5 of the accompanying Notice for acceptance by the Members of the Company.



None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 5 of the accompanying Notice.

**Item No. 6: Alteration of Object Clause of the Company**

The Company was involved in the activities of a non-banking financial company. Vide Order dated July 18, 2018, Reserve Bank of India, Ahmedabad Regional Office approved cancellation of the Company's Certificate of Registration as a Non-Banking Financial Institution (NBFI) granted under section 45-IA of the RBI Act 1934, as a result of which the Company will not be able to carry out NBFI activities. New business opportunities in other areas including real estate development are being evaluated. To enable the Company to commence new business activities, it is proposed to alter the Objects Clause of the Memorandum of Association of the Company, by the substitution of the existing Objects Clause with the new Objects Clause as placed before the meeting;

The above amendment would be subject to the approval of the Registrar of Companies and other approvals as may be necessary. A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days upto the date of the Meeting. The proposed change of name requires the approval of shareholders by a Special Resolution pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013;

The Board recommends the resolution at Item no 6 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the Resolution at Item No. 6 of the accompanying Notice.

**Item No. 7: Change of Name of the Company**

As per regulation 45 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity whose name is not reflective of its business activities, is required to change its name in line with its activities within a period of six months. In view of change in business activities of the Company as explained in item no 6 above, it is proposed to change the name of the Company to Roselabs Real Estate Limited (or such other name as may be approved by the Registrar of Companies Maharashtra), to reflect its proposed business activities. Pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013, change in name of a company requires approval of the shareholders by a special majority.

The above amendment would be subject to the approval of the Registrar of Companies and any other approvals, as may be necessary. A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office during normal business hours on all working days upto the date of the Meeting.

The Board recommends the resolution at Item no 7 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the Resolution at Item No. 7 of the accompanying Notice.

**Registered Office**

401, Akshat Complex, Nr. Parshwa Complex Bodakdev,  
Gandhi Nagar Sarkhej Highway, Ahmedabad – 380015  
Tel No: +91.22. 23024400  
Website: www.roselabsfinancelimited.in  
CIN No: L67120GJ1995PLC024070  
Email: roselabsfinance@lodhagroup.com

Place: Mumbai  
Date: May 21, 2018

**By Order of the Board of Directors**

**Uma Hiremath**  
**Company Secretary**  
**Membership No.: A29819**

## Annexure

## DISCLOSURE RELATING TO DIRECTORS PURSUANT TO LISTING REGULATIONS AND SECRETARIAL STANDARDS

Name of the Director	Ms. Sanjyot Rangnekar	Mr. Prakash Vaghela	Mr. Mayank Padiya
<b>Date of Birth</b>	July 6, 1970	September 19, 1973	January 4, 1991
<b>Qualification</b>	Member of the Institute of the Company Secretaries of India and the Institute of the Cost and Works Accountant of India	Member of the Institute of the Chartered Accountants of India and Institute of Cost and Works Accountants of India, LLB (G), B.Com	Member of the Institute of the Company Secretaries of India and B.B.A.
<b>Experience</b>	Ms. Sanjyot Rangnekar is a Fellow Member of the Institute of Company Secretaries of India and a Cost Accountant from the Institute of Costs and Works Accountants of India. She has more than 19 years' of experience as Company Secretary with Lodha Developers Limited, Essar Power Limited, Swastik Surfactants Limited amongst others.	Mr. Prakash Vaghela has diverse experience in preparing financial statements, tax returns in various industries. He also has significant experience in Statutory Auditing and Assurance practice, including corporate law compliance requirements.	Mr. Mayank Padiya has experience in field of Legal and Secretarial work.
<b>Terms &amp; Conditions of appointment</b>	Non-executive Director without any remuneration from the Company	Independent Director pursuant the provisions of Section 149 read with Schedule IV of the Companies Act, 2013.	Independent Director pursuant the provisions of Section 149 read with Schedule IV of the Companies Act, 2013.
<b>Remuneration last drawn &amp; Sought to be paid</b>	N.A.	No remuneration to be paid except sitting fees as may be decided by the Board for attendance of meeting of the Board of Directors and committees thereof.	No remuneration to be paid except sitting fees as may be decided by the Board for attendance of meeting of the Board of Directors and committees thereof.
<b>Date of first appointment on the Board</b>	April 19, 2017	February 7, 2018	May 21, 2018
<b>Directorships held in other companies</b>	Nil	1. National Standard (India) Limited 2. Shrivallabh Pittie Industries Limited 3. Citron Infraprojects Limited 4. Hi-Class Buildcon Private Limited 5. Palava Dwellers Private Limited	1. Carbon Edge Industries Limited 2. Hi-Class Buildcon Private Limited 3. Palava Dwellers Private Limited
<b>Memberships/ Chairmanship of committees across companies (includes only Audit &amp; Stakeholders Relationship* Committee)</b>	Nil	1. Chairman of Audit Committee of National Standard (India) Limited 2. Member of Audit Committee of Hi-Class Buildcon Private Limited 3. Member of Audit Committee of Palava Dwellers Private Limited	1. Member of Audit Committee of Carbon Edge Industries Limited 2. Chairman of Audit Committee of Hi-Class Buildcon Private Limited 3. Chairman of Audit Committee of Palava Dwellers Private Limited
<b>Shareholding in the Company (Equity)</b>	Nil	Nil	Nil
<b>Relationship with other Directors/ Manager/Key Managerial Personnel</b>	No	No	No
<b>Number of Board meetings attended during the year 2017-18</b>	Five	N.A.	N.A.

\*Excluding the committee of the Company

## BOARD'S REPORT

Dear Members,

The Directors are pleased to present the 24<sup>th</sup> Annual Report of the Company, along with the audited financial statements for the financial year ended March 31, 2018.

### 1. Financial Results

(Rs. in lakhs)

Particulars	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Total revenue	451.56	238.21
Total Expenses	447.23	381.20
<b>Profit/(Loss) Before Tax</b>	<b>4.33</b>	<b>(142.99)</b>
Less: Tax Expenses	0.82	
Less: Prior period taxation adjustments	0.92	-
<b>Net Profit/(Loss) for the year</b>	<b>2.59</b>	<b>(142.99)</b>

### 2. Financial Performance and the state of the Company's affairs

During the year, your Company earned a total revenue of Rs. 451.56 lakhs as against Rs. 238.21 lakhs during the previous financial year. During the year, the Company earned profit of Rs. 2.59 lakh as against the loss of Rs 142.99 lakhs during the previous financial year.

Pursuant to a review of the business strategy, the Board, at its meeting held on June 30, 2017, decided to discontinue non-banking financial business and apply for voluntary deregistration of the Company's Certificate of Registration as a Non-Banking Financial Institution as granted by RBI under section 45-IA of the RBI Act 1934. The Company, vide its letter dated July 03, 2017, has applied to RBI for voluntary de-registration of its Certificate of Registration. The Board will continue to evaluate alternate business lines for the Company in different sector.

### 3. Dividend

The Directors do not recommend payment of dividend on equity shares for the financial year ended March 31, 2018.

### 4. Reserves

The board does not propose any amount to carry to any specific reserves other than Statutory Reserve Fund.

### 5. 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-I**.

### 6. Directors and key managerial personnel

Ms Sanjyot Rangnekar was appointed as Additional Director of your Company effective April 19, 2017 and as a director w.e.f. August 31, 2017.

The Board, at its meeting held on May 30, 2017, appointed Mr. Nilesh Rawat as Managing Director. Shareholder have approved the same on August 31, 2017.

Ms. Purnima Pavle resigned as Director of your Company effective May 30, 2017. The Board places on record its appreciation for the services rendered by her during her tenure as Director. She was appointed as Chief Financial Officer by the Board effective May 30, 2017.

Mr. Santosh Kumar Ojha and Mr. Prakash Bhat resigned as independent directors w.e.f. April 3, 2018 and February 7, 2018, respectively. The Boards puts on record its appreciation for the services rendered by them during their tenure as directors.

Mr. Prakash Vaghela and Mr. Mayank Padiya were appointed as independent directors w.e.f. February 7, 2018 and May 21, 2018 respectively.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

- Mr. Nilesh Rawat, Managing Director
- Ms. Purnima Pavle, Chief Financial Officer
- Mr. Mahesh Bhatt, Company Secretary (upto May 21, 2018)
- Ms. Uma Hiremath, Company Secretary (from May 21, 2018)

## 7. Board and Committees of the Board

### 7.1 Board meetings

The Board of your Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising of Independent Directors. Ms. Sanjyot Rangnekar, Chairperson of the Board is a Non-Executive Director. As on date of this Report, the Board comprises four directors including one Executive Director, one Non-Executive director and two independent directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. None of the Directors of your Company are inter-se related to each other.

Dates for Board meetings in the ensuing year are decided in advance and circulated to all Directors. The agenda for each meeting, along with detailed notes, is circulated in advance to the Directors.

Five Board meetings were held during the year and the gap between two meetings did not exceed 120 days. These were held on May 30, 2017, June 30, 2017, August 11, 2017, November 7, 2017, and February 07, 2018. The Company's Independent Directors meet at least once in every financial year without the attendance of Non Independent Directors and Management Personnel. One separate meeting of Independent Directors was held during the year.

Attendance of Directors during FY 2018:

Sr. No.	Name of Director(s)	DIN No.	Category of Directorship	Number of Meetings which the director was entitled to attend	Number of Meetings attended
1.	Ms. Sanjyot Rangnekar	07128992	Chairperson-Non-Independent, Non- Executive	5	5
2.	Mr. Nilesh Rawat	06705140	Managing Director - Non-Independent	5	5
3.	Mr. Santosh Ojha <sup>1</sup>	02494357	Independent Director	5	5
4.	Mr. Prakash Bhat <sup>2</sup>	00654992	Independent Director	4	4
5.	Ms. Purnima Pavle <sup>3</sup>	06705133	Non-Independent, Non-Executive	1	1
6.	Mr. Prakash Vaghela <sup>4</sup>	07768595	Independent Director	0	0
7.	Mr. Mayank Padiya <sup>5</sup>	07145403	Independent Director	0	0

<sup>1</sup> Mr. Santosh Ojha resigned from the Board on April 3, 2018

<sup>2</sup> Mr. Prakash Bhat resigned from the Board on February 7, 2018

<sup>3</sup> Ms. Pavle resigned from the Board on May 30, 2017 and was appointed as Chief Financial Officer effective on the same day.

<sup>4</sup> Mr. Prakash Vaghela appointed on the Board on February 7, 2018

<sup>5</sup> Mr. Mayank Padiya appointed on the Board on May 21, 2018

### Committees of the Board

#### 7.2 Audit Committee

Currently, this Committee comprises the following:

- Mr. Mayank Padiya, Chairman
- Mr. Prakash Vaghela, Member
- Ms. Sanjyot Rangnekar, Member

All members are financially literate and bring in expertise in the fields of finance, economics, development, strategy and management.

The Committee met 4 times during the year and the gap between two meetings did not exceed 120 days. These meetings were held on May 30, 2017, August 11, 2017, November 7, 2017 and February 07, 2018.

The attendance details of the Committee meetings during the financial year 2017-18 are as follows:

Sr. No.	Name of Members	Category	Total no. of meetings attended
1.	Mr. Santosh Ojha	Independent, Non-Executive	4
2.	Mr. Prakash Bhat	Independent, Non-Executive	3
3.	Ms. Purnima Pavle <sup>1</sup>	Non-Independent, Non-Executive	1
4.	Ms. Sanjyot Rangnekar <sup>1</sup>	Non-Independent, Non-Executive	3

<sup>1</sup>Ms. Pavle resigned from the Board effective May 30, 2017. Ms. Rangnekar was inducted in her place effective May 30, 2017.

### 7.3 Nomination & Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board has constituted a Nomination and Remuneration Committee.

Currently, this Committee comprises the following:

- Mr. Mayank Padiya , Chairman
- Mr. Prakash Vaghela, Member
- Ms. Sanjyot Rangnekar, Member

The Committee met 3 times during the year on April 7, 2017, May 30, 2017 and February 7, 2018. The attendance details of the Committee meetings are as follows:

Sr. No.	Name of Members	Category	Total no. of meetings attended
1.	Ms. Sanjyot Rangnekar <sup>1</sup>	Non-Independent, Non-Executive	1
2.	Mr. Santoshkumar Ojha	Independent, Non-Executive	3
3.	Mr. Prakash Bhat	Independent, Non-Executive	2
4.	Ms. Purnima Pavle <sup>1</sup>	Non-Independent, Non-Executive	2

<sup>1</sup> Ms. Pavle resigned from the Board effective May 30, 2017. Ms. Rangnekar was inducted into the Committee in her place effective May 30, 2017.

### 7.4 Stakeholders Relationship Committee

Currently, this Committee comprises the following:

- Ms. Sanjyot Rangnekar, Chairperson
- Mr. Prakash Vaghela, Member
- Mr. Mayank Padiya, Member

During the year, the Committee met 4 times. These were held on May 30, 2017, August 11, 2017, November 7, 2017 and February 07, 2018. The attendance details of Directors are as follows:

Sr. No.	Name of Members	Category	Total no. of meetings attended
1.	Ms. Sanjyot Rangnekar <sup>1</sup>	Non-Independent, Non-Executive	3
2.	Mr. Prakash Bhat	Independent, Non-Executive	4
3.	Mr. Santoshkumar Ojha	Independent, Non-Executive	4
4.	Ms. Purnima Pavle <sup>1</sup>	Non-Independent, Non-Executive	1

<sup>1</sup> Ms. Pavle resigned from the Board effective May 30, 2017. Ms. Rangnekar was inducted into the Committee in her place effective May 30, 2017.

## 8. Board evaluation

The Board of Directors carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the Listing regulations. Performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

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

## 9. Auditors & Audit Report

### 9.1 Auditors

MSKA & Associates, Chartered Accountants (F.K.A. MZSK & Associates) (Firm Registration No. 105047W), the statutory auditors of your Company, hold office until the conclusion of the AGM to be held in the year 2021, subject to ratification at every AGM.

Pursuant to Section 40 of the Companies Amendment Act, 2017, which came into effect from May 7, 2018, the first proviso in Section 139 of the Companies Act, 2013 related to ratification of appointment of auditors has been done away with.

## **9.2 Auditors' Report**

The Auditor's Report does not contain any qualifications, reservations or adverse remarks.

## **9.3 Secretarial Audit**

M/s. Shraavan A. Gupta and Associates, Practicing Company Secretary was appointed as Secretarial Auditor to conduct the Secretarial Audit of records and documents of the Company for the financial year 2017-18. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulation and Guidelines.

The Secretarial Audit Report is provided as **Annexure-III**.

## **9.4 Internal Audit**

Pursuant to Section 138 of the Companies Act, 2013, the Company has appointed Mr. Pradeep Mandaliya, Chartered Accountant as an Internal Auditor of the Company during the year 2017-18. The audit carried out by him is on quarterly basis. Further, the report issued by an Internal Auditor is reviewed at the Meetings of the Audit Committee and appropriate actions are taken as per the recommendation of the Audit Committee by the Board.

## **10. Particulars of Loans, Guarantees, Security and Investment**

During the year, the Company was non-banking financial company registered under Chapter IIIB of the Reserve Bank of India Act, 1934 and therefore the provisions of Section 186 are not applicable to any loan made, guarantee given or security provided by the Company in terms of exemption provided u/s 186(11) (b). During the year, 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.

## **11. Related Party Transactions**

The transactions/contracts/arrangements, falling within the purview of provisions of Section 188(1) of the Companies Act, 2013, entered by the Company with related parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, were in the ordinary course of business and have been transacted at arms length basis.

Further there are no transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year 2017-18, that are required to be reported in Form AOC-2 and as such does not form part of the Report

In compliance with the Listing Regulations, the Company has a policy for Related Parties Transactions ('RPT Policy'). The RPT Policy is available on the Company website viz. [roselabsfinance@lodhagroup.com](mailto:roselabsfinance@lodhagroup.com) on the Investor Relation page, under the tab titled 'Policies'.

## **12. Risk Management and Internal Controls**

### **12.1 Risk Management**

Your Company has adopted a Risk Management policy which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

### **12.2 Internal Controls and their adequacy**

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 as well as Internal Auditor and cover all offices, sites and key business areas. Significant audit observations and follow up actions thereon are reported to the Board/ Audit Committee. The Board / Audit Committee reviews 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 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.

### 12.3 Internal Financial Controls

Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds etc.

### 12.4 Vigil Mechanism

The Company has established a vigil mechanism process by adopting a Vigil Mechanism / Whistle Blower Policy for directors and employees. This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct / behaviour is/are noticed, reported or suspected. The Policy provides for adequate safeguards against victimization of persons who use the mechanism and has a process for providing direct access to the Ombudsman in appropriate or exceptional cases.

The employees of the Company have the right to report their concern or grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism / Whistle Blower Policy is posted on the Company's website [www.roselabsfinancelimited.in](http://www.roselabsfinancelimited.in).

### 13. Holding Company, Subsidiaries, Joint Venture and Associates

Arihant Premises Private Limited is the holding company of the Company. The Company has no subsidiary, joint ventures or associate companies.

### 14. Disclosure under section 197(12) of the Companies Act, 2013 and other disclosures as per rule 5 of companies (appointment & remuneration) rules, 2014

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014 is attached as **Annexure – IV**.

The provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 do not apply as there are no employees who draw remuneration in excess of the limits set out in the said Rules.

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

There are no particulars, as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, in respect of conservation of energy, technology absorption etc. There is no foreign exchange earnings and outgo during the financial year.

### 16. Corporate Governance Report

As the paid up equity share capital and net worth of the Company are both below the limits specified in Regulation 15 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is not required to furnish corporate governance and related compliance certificates and therefore these do not form part of this Report.

### 17. Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Listing Regulations is presented in a separate section forming part of this Annual Report

### 18. General

Your Directors state that for the financial year ended March 31, 2018 no disclosure is required in respect of the following items and accordingly confirm as under:

- The Company has neither revised the financial statements nor the report of Board of Directors.
- No cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- There are no material changes or commitments affecting the financial position of the Company between March 31, 2018 and the date of this report
- The Company has not accepted any deposits during financial year 2017-18.
- No instance of fraud has been reported to Board of Directors of the Company by the Auditors or any other person.
- There are no significant or material orders were passed by the Regulators/Courts/Tribunals which impact the going concern status and Company's operations in future.
- During the financial year 2017-18, there is no change in the nature of the business of the Company.

- h. There has been no issue of equity shares with differential rights as to dividend, voting or otherwise during the financial year 2017-18
- i. The Company has not issued any shares (including sweat equity shares) to employees of the Company under any scheme during the financial year 2017-18.
- j. The provisions of section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company.
- k. There are no unclaimed shares. Hence the compliance mechanism laid down under regulation 39(4) of the listing regulation read together with Schedule V and VI are not applicable.

**19. 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:

- a. in the preparation of the annual accounts for the year ended March 31, 2018, read with the requirements set out under Schedule III to the Act, have been followed and there has been no material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the directors had 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;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial control are adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**20. Acknowledgement**

On behalf of the Directors of the Company, we would like to place on record our deep appreciation to our shareholders, customers, business partners, vendors, bankers, financial institutions and academic institutions and other stakeholders who have contributed to the growth and performance of your Company.

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

Place: Mumbai  
Date : May 21, 2018

**Nilesh Rawat**  
Managing Director  
DIN: 06705140

**Sanjot Rangnekar**  
Chairperson  
DIN: 07128992



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2018

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:**

<b>CIN</b>	:	L67120GJ1995PLC024070
<b>Registration Date</b>	:	4-Jan-1995
<b>Name of the Company</b>	:	Roselabs Finance Limited
<b>Category</b>	:	Company Limited by Shares
<b>Sub-Category of the Company</b>	:	Indian Non-Government Company
<b>Address of the Registered Office and contact details</b>	:	401, Akshat Complex, Nr. Parshwa Complex Bodakdev, Gandhi Nagar Sarkhej Highway, Ahmedabad – 380015 Tel No: +91 22 23024400
<b>Whether listed company</b>	:	Yes
<b>Name, Address and contact details of Registrar &amp; Transfer Agents (RTA), if any</b>	:	Link Intime India Pvt. Ltd, C101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel : 022 - 4918 6000 Fax : 022 - 4918 6060

**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	26.80
2.	Non-Banking Financial Services –Equity/ Currency Derivatives Trading	6499	73.20

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

SI. No	Name and Address of The Company	CIN	Holding/ Subsidiary/ Associate	% of share 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

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01/04/2017				Shareholding at the end of the year – 31/03/2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	7424670	0	7424670	74.2467	7424670	0	7424670	74.2467	0.0000
	Sub Total (A)(1)	7424670	0	7424670	74.2467	7424670	0	7424670	74.2467	0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	7424670	0	7424670	74.2467	7424670	0	7424670	74.2467	0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	437105	251130	688235	6.8824	411052	249130	660182	3.7158	-3.1666
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	427473	349600	777073	7.7707	474496	349600	824096	11.7621	3.9914
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000

(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	39169	0	39169	0.3917	40462	0	40462	0.4046	0.0129
	Non Resident Indians (Repat)	1010	0	1010	0.0101	1010	0	1010	0.0101	0.0000
	Clearing Member	2102	0	2102	0.0210	14085	0	14085	0.1409	0.1198
	Bodies Corporate	1019241	48500	1067741	10.6774	986995	48500	1035495	10.3550	-0.6405
	Sub Total (B)(3)	1926100	649230	2575330	25.7533	1928100	647230	2575330	25.7533	0.0000
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	1926100	649230	2575330	25.7533	1928100	647230	2575330	25.7533	0.0000
	Total (A)+(B)	9350770	649230	10000000	100.0000	9352770	647230	10000000	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total (A)+(B)+(C)</b>	<b>9350770</b>	<b>649230</b>	<b>10000000</b>	<b>100.0000</b>	<b>9352770</b>	<b>647230</b>	<b>10000000</b>	<b>100.0000</b>	

**(ii) Shareholding of Promoters**

SI 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)**

SI 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 at the beginning of the year – 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2018	
		No. of Shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	Arhanathji Builders and Farms Pvt Ltd	435329	4.3533			435329	4.3533
	Purchase			November 17, 2017	60240	495569	4.9557
	At the end of the year					495569	4.9557
2	Survashaya Farms and Developers Pvt Ltd	439652	4.3965			439652	4.3965
	At the end of the year					439652	4.3965
3	Nina Rani	125800	1.2580			125800	1.2580
	At the end of the year					125800	1.2580
4	Bharat Pravin Meghani	83700	0.8370			83700	0.8370

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2018	
		No. of Shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	At the end of the year					83700	0.8370
5	Sanghvi Fincap Limited	48500	0.4850			48500	0.4850
	At the end of the year					48500	0.4850
6	Sunita Hurkat	48300	0.4830			48300	0.4830
	At the end of the year					48300	0.4830
7	Anil Narendra Shah	37200	0.3720			37200	0.3720
	At the end of the year					37200	0.3720
8	Jagdishkumar Amrutlal Akhani	26215	0.2622			26215	0.2622
	Sale			January 5, 2018	(500)	25715	0.2572
	Sale			January 12, 2018	(500)	25215	0.2522
	At the end of the year					25215	0.2522
9	Raju Ranka	17100	0.1710			17100	0.1710
	At the end of the year					17100	0.1710
10	Rakesh Ranka	14300	0.1430			14300	0.1430
	At the end of the year					14300	0.1430
11	Harsha Hitesh Javeri	195616	1.9562			195616	1.9562
	Sale			April 7, 2017	4384	200000	2.0000
	Sale			February 16, 2018	(200000)	0	0.0000
	At the end of the year					0	0.0000
12	Hitesh Ramji Javeri	100700	1.0070			100700	1.0070
	Purchase			May 19, 2017	5597	106297	1.0630
	Purchase			May 26, 2017	1180	107477	1.0748
	Purchase			July 21, 2017	1900	109377	1.0938
	Purchase			August 4, 2017	623	110000	1.1000
	Purchase			January 12, 2018	3300	113300	1.1330
	Sale			February 16, 2018	(113300)	0	0.0000
	At the end of the year					0	0.0000
13	Aashi Realities Private Limited	60240	0.6024			60240	0.6024
	Sale			November 17, 2017	(60240)	0	0.0000
	At the end of the year					0	0.0000

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 10000000 Shares.  
2. The details of holding has been clubbed based on PAN.  
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

**(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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	285,414,000	-	285,414,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	30,707,000	-	30,707,000
<b>Total (i+ii+iii)</b>	-	<b>316,121,000</b>	-	<b>316,121,000</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	90,037,352	-	9,003,735
• Reduction	-	310,015,352	-	310,015,352
<b>Net Change</b>	-	<b>219,978,000</b>	-	<b>219,978,000</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	73,753,000	-	73,753,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	22,390,000	-	22,390,000
<b>Total (i+ii+iii)</b>	-	<b>96,143,000</b>	-	<b>96,143,000</b>

## 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: -

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Bhushan Shah	Santoshkumar Ojha	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	20,000 - -	20,000 - -	40,000 - -
	Total (1)	20,000	20,000	40,000
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- - -	- - -	- - -
	Total (2)	-	-	-
	Total (B)=(1+2)	20,000	20,000	40,000
	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		417,458 Nil Nil	657,463 Nil Nil	<b>1,074,921</b> <b>Nil</b> <b>Nil</b>
2	Stock Option	NA	Nil	Nil	<b>Nil</b>
3	Sweat Equity		Nil	Nil	<b>Nil</b>
4	Commission - as % of profit - others, specify...		Nil	Nil	<b>Nil</b>
5	Others, please specify		Nil	Nil	<b>Nil</b>
	<b>Total</b>		<b>417,458</b>	<b>657,463</b>	<b>1,074,921</b>

There are no employees on the rolls of the Company. Nabhiraja Software Design Private Limited provided manpower services to the Company in financial year 2017-18. The proportionate remuneration of CFO & CS has been charged to the Company.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

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

Place : Mumbai  
Date : May 21, 2018

**Nilesh Rawat**  
Managing Director  
DIN: 06705140

**Sanjyot Rangnekar**  
Chairperson  
DIN: 06705133

**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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup>, 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.

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

**Place : Mumbai  
Date : May 21, 2018**

**Nilesh Rawat  
Managing Director  
DIN: 06705140**

**Sanjyot Rangnekar  
Chairperson  
DIN: 06705133**

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2018

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

To

The Members

**M/s. ROSELABS FINANCE LIMITED****CIN: L67120GJ1995PLC024070**

401, Akshat Complex, Nr. Parshwa Complex Bodakdev,  
Gandhi Nagar Sarkhej Highway, Ahmedabad Gujarat 380015

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act 2013 and the Rules made thereunder ;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made there under; - **Not Applicable as there was no Foreign Direct Investment (FDI), Overseas Direct Investment( ODI), External Commercial Borrowing (ECB).**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable during the year under Review**
  - (d) The Securities and Exchange Board of India (Share based employee benefits) Regulation, 2014 ; **Not Applicable during the year under Review**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 1999; **Not Applicable during the year under Review**
  - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (g) 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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable during the period under Review**
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not Applicable during the period under Review**
  - (j) The other laws as are applicable specifically to the Company are complied as per representation made by the management of company during the year under review; except the requirements of minimum net owned fund and

leverage ratio pursuant to the provisions prescribed by Reserve Bank of India (RBI) under RBI Act 1934 and circulars and notifications issued thereof by RBI. The Company has applied to Reserve Bank of India for voluntary exit from the Non-Banking Financing Business on July 3, 2017.

**We have also examined compliance with the applicable clauses of the following:**

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

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

**We further report that, during the year under review:**

The status of the Company during the financial year has been that of an Equity Listed Non Banking Financial Company.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, 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. All the resolutions are passed by the Board unanimously and accordingly recorded in the minutes.

**We 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.

**We further report that** during the Audit period, there were no specific event/action having a major bearing on the Companies affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**Shravan A. Gupta & Associates  
Practicing Company Secretary**

**Place: Mumbai  
Date: May 21, 2018**

**Shravan A. Gupta  
ACS: 27484, CP: 9990**

## Annexure - IV

**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**

The Company has appointed Managing Director, Chief Financial Officer and Company Secretary.

Sr. No	Requirement	Disclosure
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Not Applicable. No directors other than independent directors received any remuneration during the year.
2.	The percentage increase in remuneration of each Director, CEO, CFO, Company Secretary or Manager if any, in the financial year.	There was 80.81 per cent decrease in salary of Company Secretary. Increase in remuneration of Chief Financial Officer is not comparable as she was employed only for part of the year.
3.	The percentage increase in the median remuneration of employees in the financial year	There are no other employees apart from KMP's on the rolls of Company and hence, the percentage increase in the median remuneration of employees of the Company during the financial year ended March 31, 2018 is not applicable.
4.	Number of permanent employees on the rolls of the Company	Not Applicable
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable as there are no other employees apart from KMP's on the rolls of Company.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	The affirmation that the remuneration is as per the Remuneration Policy is not applicable as the remuneration to above mentioned KMPs is paid by the group companies and later on reimbursed.

Further, as there are no employees on the rolls 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**

**Place : Mumbai  
Date : May 21, 2018**

**Nilesh Rawat  
Managing Director  
DIN: 06705140**

**Sanjot Rangnekar  
Chairperson  
DIN: 06705133**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Over the years, Non-Banking Financial Companies (NBFCs) of India have been instrumental in driving the country's inclusive growth. NBFCs continued to grow their share in the financial services industry in the rural and semi-urban India, the sector plays a critical role in financing long-term infrastructure, construction equipment, leasing, real estate, vehicles and SMEs.

The Industry's growth in advances till September 2017 is 15.7%. Further, the return of equity of NBFC's increased from 6.8% to 7.6% till September 2017 (*Source: RBI's Financial Stability Reports dated 21 December 2017*). A positive is India should see higher GDP growth in next year, but is also prepared for greater uncertainties and higher interest rates.

### OUTLOOK

As per the Central Statistics Office the Indian economy grew by 6.6 per cent in Financial Year 2017-18 which is 50 basis points less than the 7.1% growth witnessed in Financial Year 2016-17. Financial Year 2017-18 has saw growth slowdown because of the nation-wide rollout of the Goods and Services Tax (GST) and the impact of demonetisation that came into effect in late 2016.

Analysts feel that India's GDP growth will accelerate to 7.0% in 2018-19 from 6.5% in 2017-18. Analysts also feel that India's growth story has a two-part narrative. The first is a slowdown and gradual recovery in the short run and second is of brighter growth prospects in the medium term. The Prime Minister Mr. Narendra Modi, praising India as a model of economic growth and told the World Economic Forum that the country would become a \$5 trillion economy by 2025, which is more than double of its current size.

Nevertheless, the industry's and Company's long-term outlook remains stable. The major NBFCs maintain a strong buffer against expected credit quality pressures.

### SEGMENT-WISE PERFORMANCE

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 Segment wise performance is provided in note 22 (5) of financials which is part of this Annual Report.

### OPPORTUNITIES AND THREATS

The Board of Directors of the Company, at its meeting held on June 30, 2017, decided to discontinue with NBFC business and apply for voluntary de-registration of the Company's Certificate of Registration as a Non-Banking Financial Institution granted by RBI under section 45-IA of the RBI Act 1934. The Company, therefore, applied to RBI for voluntary exit from Non-Banking Financial Business on July 3, 2017. As far as the future business is concerned the company is looking for various other options and expected to increase its business in the future, external factors like Government set up, inflation levels, interest rates and volatility in secondary market continue to be business threats.

### RISKS AND CONCERNS

The performance of the Company is dependent on Indian capital markets for its returns. The competition from existing as well as new players, both domestic as well as foreign would affect the growth of the Company. Unfavorable changes in government policies including change in tax structure should affect the growth of the Company. Even though it is envisaged that stock market will continue to do well, global concerns could result in sharp corrections.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company is committed to maintain high standards of internal controls designed to provide accuracy of information, efficiency of operations and security of assets. The company has adequate internal controls which commensurate with the size and nature of its operations to ensure orderly and efficient conduct of business.

These controls ensure safeguarding of assets, prevention and detection of fraud and error, the accuracy and completeness of the accounting records, timely preparation of reliable financial information and adherence to company's policies, procedures and legal obligations. The Audit Committee of the Board of Directors meets periodically to review the performance.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year, your Company posted total revenue of Rs. 451.56 lakhs as against Rs. 238.21 lakh during the previous financial year. During the year, the Company earned profit of Rs. 2.59 lakh as against the loss of Rs 142.99 lakh during the previous financial year, due to optimization in operational cost.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

As on March 31, 2018, the Company does not have any employees. Manpower services are provided by a group company.

**CAUTIONARY STATEMENT**

Management Discussion and Analysis Report is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the company. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include global and Indian financial market conditions, changes in the Government Regulation, Tax regimes, inflation levels, interest rate and such other factors affecting country's secondary market.

The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

**By Order of the Board of Directors**

**Nilesh Rawat**  
**Managing Director**

**Place : Mumbai**  
**Date : May 21, 2018**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Roselabs Finance Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Roselabs Finance Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

#### Auditor's Responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2018, and its profit and its cash flows for the year ended on that date.

#### Other Matter

We draw attention to Note 22(2) & Note 22(3) of the financial statements with regards to:

- i. Receipt of Income Tax Demand of 119.74 Lakhs towards penalties under Section 271D of the Income Tax Act, 1961 and the Company has filed appeal there against with Commissioner of Income Tax (Appeals), Mumbai. No provision has been made for the same, as in the opinion of the management, based on expert opinion obtained and decision by the Appellate Tribunals and Courts in similar matter the same is not sustainable.



- ii. The Board of the Company, at its meeting held on June 30, 2017 decided to seek cancellation of the Company's Certificate of Registration as a Non-Banking Financial Institution granted by Reserve Bank of India ('RBI') under section 45-IA of the RBI Act, 1934. The Company has applied to RBI for de-registration of its Certificate of Registration vide its letter dated July 3, 2017.

Our report is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 A'
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22(1) and 22(2) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For MSKA & Associates**  
**(Formerly known as 'MZSK & Associates')**  
**Chartered Accountants**  
 Firm Registration No. 105047W

Place : Mumbai  
 Date : May 21, 2018

Abuali Darukhanawala  
 Partner  
 Membership No. 108053

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ROSELABS FINANCE LIMITED.**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Roselabs Finance Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2018]

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

We have audited the internal financial controls over financial reporting of Roselabs Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the 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 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) (the "Guidance Note". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 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 March 31, 2018, 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.

**For MSKA & Associates**  
**(Formerly known as 'MZSK & Associates')**  
**Chartered Accountants**  
Firm Registration No. 105047W

Place : Mumbai  
Date : May 21, 2018

Abuali Darukhanawala  
Partner  
Membership No. 108053

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Roselabs Finance Limited on the financial statements for the year ended 31<sup>st</sup> March, 2018]

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- ii. The Company does not have any inventory. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) 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 either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on 31<sup>st</sup> March, 2018 and the Company has not accepted any deposits during the year.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax, value added tax, cess and any other statutory dues applicable to it. Further, no undisputed amount amounts payable in respect thereof were outstanding at the year-end for the period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, the outstanding dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount in Rupees	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	18,37,990	2012-13	CIT(A)
Income Tax Act, 1961	Income Tax	848,700	2015-16	CIT(A)
Income Tax Act, 1961	Penalty	1,19,74,148	2013-14	CIT(A)

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid managerial remuneration. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions stated in paragraph 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 the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

**For MSKA & Associates**  
(Formerly known as 'MZSK & Associates')  
**Chartered Accountants**  
Firm Registration No. 105047W

Place : Mumbai  
Date : May 21, 2018

Abuali Darukhanawala  
Partner  
Membership No. 108053

Balance Sheet as at 31<sup>st</sup> March, 2018

	Notes	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,000.00	1,000.00
Reserves and Surplus	3	(1,278.62)	(1,281.21)
		<b>(278.62)</b>	<b>(281.21)</b>
<b>Non-Current Liabilities</b>			
Long Term Provisions	4	0.88	2.98
		<b>0.88</b>	<b>2.98</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	737.53	2,854.14
Trade Payables	6	-	-
Total Outstanding dues of micro enterprises and small enterprises		1.08	26.62
Other Current Liabilities	7	251.63	312.58
		<b>990.24</b>	<b>3,193.34</b>
<b>TOTAL</b>		<b>712.50</b>	<b>2,915.11</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Fixed Assets (Net)	8	-	-
Long-Term Loans and Advances	9	392.89	1,232.93
		<b>392.89</b>	<b>1,232.93</b>
<b>Current Assets</b>			
Current Investments	10	0.13	0.13
Inventories	11	-	258.46
Trade Receivables	12	-	1,200.00
Cash and Bank Balances	13	45.87	100.15
Short-Term Loans and Advances	14	218.87	76.89
Other Current Assets	15	54.74	46.55
		<b>319.61</b>	<b>1,682.18</b>
<b>TOTAL</b>		<b>712.50</b>	<b>2,915.11</b>
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements	2-23		

As per our attached report of even date

For and on behalf of the Board of Directors of Roselabs  
Finance Limited

For MSKA & Associates  
(Formerly known as 'MZSK & Associates')  
Chartered Accountants  
Firm Registration Number: 105047W

Abuali Darukhanawala  
(Partner)  
Membership No. 108053

Nilesh Rawat  
Managing Director  
DIN: 06705140

Sanjot Rangnekar  
Director  
DIN: 07128992

Place : Mumbai  
Date : May 21, 2018

Mahesh Bhatt  
Company Secretary  
Membership No: A3552

Purnima Pavle  
Chief Financial Officer  
Membership No.: 105205

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2018

	Notes	For the Year Ended 31-March-18 ₹ in Lakhs	For the Year Ended 31-March-17 ₹ in Lakhs
<b>Revenue</b>			
Revenue from Operations	16	303.06	237.20
Other Income	17	148.50	1.01
		<b>451.56</b>	<b>238.21</b>
<b>Expenses</b>			
(Increase) / Decrease in Stock-in-trade	18	258.46	147.82
Employee Benefits Expense	19	10.75	21.75
Finance Costs	20	165.33	193.67
Other Expenses	21	12.69	17.96
		<b>447.23</b>	<b>381.20</b>
<b>Profit / (Loss) Before Tax</b>		<b>4.33</b>	<b>(142.99)</b>
<b>Tax Expense</b>			
Current Tax		(0.82)	-
<b>Profit / (Loss) After Tax</b>		<b>3.51</b>	<b>(142.99)</b>
Prior year Taxation Adjustments		(0.92)	-
<b>Net Profit / (Loss) for the year</b>		<b>2.59</b>	<b>(142.99)</b>
<b>Earnings per Equity Share in ₹ (not annualised)</b>			
(Face Value of ₹10 per Equity Share)			
Basic and Diluted		0.03	(1.43)
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements	2-23		

As per our attached report of even date

**For MSKA & Associates**  
(Formerly known as 'MZSK & Associates')  
Chartered Accountants  
Firm Registration Number: 105047W

**Abuali Darukhanawala**  
(Partner)  
Membership No. 108053

Place : Mumbai  
Date : May 21, 2018

For and on behalf of the Board of Directors of Roselabs  
Finance Limited

**Nilesh Rawat**  
Managing Director  
DIN: 06705140

**Sanjot Rangnekar**  
Director  
DIN: 07128992

**Mahesh Bhatt**  
Company Secretary  
Membership No: A3552

**Purnima Pavle**  
Chief Financial Officer  
Membership No.: 105205

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

	For the Year Ended 31-March-18 ₹ in Lakhs	For the Year Ended 31-March-17 ₹ in Lakhs
<b>Cash flow used in Operating Activities</b>		
<b>Profit / (Loss) before tax</b>	<b>4.33</b>	<b>(142.99)</b>
Adjustments for:		
Sundry Balances written off	4.35	1.06
Sundry Balances written back	(4.40)	(0.17)
Contingent Provisions against Standard Assets	(2.10)	1.72
Finance Costs	165.33	193.67
<b>Operating Profit before working capital changes</b>	<b>167.51</b>	<b>53.29</b>
Decrease in Trade Receivables	1,200.00	-
Decrease in Inventory	258.46	147.82
(Increase) / Decrease in Loans and Advances, Other Current Assets	691.43	(708.69)
Decrease in Trade Payables, Other Liabilities and Provisions	1.01	(55.84)
<b>Cash generated from / (Used in ) Operations</b>	<b>2,318.41</b>	<b>(563.42)</b>
Income tax paid	(7.58)	(2.76)
<b>Net Cash flow from / (Used in) Operating Activities (A)</b>	<b>2,310.83</b>	<b>(566.18)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from Borrowings	676.12	896.94
Repayment of Borrowings	(2,792.73)	(89.34)
Finance Costs Paid	(248.50)	(208.63)
<b>Net Cash flow from / (used in) Financing activities (B)</b>	<b>(2,365.11)</b>	<b>598.97</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A +B)</b>	<b>(54.28)</b>	<b>32.79</b>
Add: Cash and Cash Equivalents at the beginning of the year	100.15	67.36
<b>Cash and Cash Equivalents at the end of the year</b>	<b>45.87</b>	<b>100.15</b>

As per our attached report of even date

For MSKA & Associates  
(Formerly known as 'MZSK & Associates')  
Chartered Accountants  
Firm Registration Number: 105047W

Abuali Darukhanawala  
(Partner)  
Membership No. 108053

Place : Mumbai  
Date : May 21, 2018

For and on behalf of the Board of Directors of Roselabs  
Finance Limited

Nilesh Rawat  
Managing Director  
DIN: 06705140

Mahesh Bhatt  
Company Secretary  
Membership No: A3552

Sanjyot Rangnekar  
Director  
DIN: 07128992

Purnima Pavle  
Chief Financial Officer  
Membership No.: 105205

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

### Company's Background

Roselabs Finance Limited (the Company) is a public limited company domiciled and incorporated in India under the Companies Act, 1956 vide CIN - L67120GJ1995PLC024070. The Company's registered office is located at 412, Floor - 4, 17 G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai - 400 001. The Company is primarily engaged in the business of non banking financial institution.

### 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. Further, the Company follows the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC).

#### 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 Statements for the year ended 31<sup>st</sup> March, 2018

		As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
<b>2) Share Capital</b>	<b>Numbers</b>		
<b>(A) Authorised</b>			
Equity Shares of ₹ 10 each	11,000,000	1,100.00	1,100.00
<b>(B) Issued, Subscribed and Paid up</b>			
Equity Shares of ₹ 10 each fully paid up	10,000,000	1,000.00	1,000.00
		<b>1,000.00</b>	<b>1,000.00</b>
<b>(C) Reconciliation of Number of Shares and Amount :</b>			
Equity Shares of ₹ 10 each			
As per last Financial Statement	10,000,000	1,000.00	1,000.00
Changes during the year	-	-	-
	<b>10,000,000</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>(D) Right and Preferences of Equity Share holders</b>			
Each shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders.			
In the event of liquidation by the Company, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the Company, after distribution of all preferential amounts.			
<b>(E) Shares held by and Shareholder holding more than 5%</b>			
	<b>Number of shares</b>	<b>% of Holding</b>	<b>% of Holding</b>
<b>Equity Shares</b>			
Arihant Premises Private Limited, Holding Company	7,424,670	74.25%	74.25%
	<b>7,424,670</b>	<b>74.25%</b>	<b>74.25%</b>
<b>3) Reserves and Surplus</b>			
<b>Statutory Reserve</b>			
(As per Section 45-IC of Reserve Bank of India Act, 1934)			
As per last Financial Statement		15.10	15.10
Add:- Transferred from Statement of Profit and Loss		0.52	-
<b>Total-a</b>		<b>15.62</b>	<b>15.10</b>
<b>Deficit in the Statement of Profit and Loss</b>			
As per last Financial Statement		(1,296.31)	(1,153.32)
Add:-Profit/(Loss) as per the annexed Statement of Profit and Loss		2.59	(142.99)
Less :-Transferred to Statutory Reserve		(0.52)	-
(As per Section 45-IC of Reserve Bank of India Act, 1934)			
<b>Total-b</b>		<b>(1,294.24)</b>	<b>(1,296.31)</b>
<b>Total (a + b)</b>		<b>(1,278.62)</b>	<b>(1,281.21)</b>

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
<b>4) Long Term Provisions</b>		
Contingent Provisions against Standard Assets *	0.88	2.98
	<b>0.88</b>	<b>2.98</b>
* The Company has made a provision of 0.25% on Standard Assets as required by the Reserve Bank of India guidelines.		
<b>5) Short-Term Borrowings</b>		
<b>Unsecured</b>		
Repayable on demand		
i) From Related Parties	437.53	2,554.14
Rate of Interest 11% - (Previous year 12% )		
ii) From a Body Corporate	300.00	300.00
Rate of Interest - Nil (Previous year Nil)		
	<b>737.53</b>	<b>2,854.14</b>
<b>6) Trade Payables</b>		
Total Outstanding dues of micro enterprises and small enterprises *	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	1.08	26.62
	<b>1.08</b>	<b>26.62</b>
* 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.		
<b>7) Other Current Liabilities</b>		
Interest accrued but not due on borrowings	223.90	307.07
Other Payables		
Duties and Taxes	16.55	5.51
Other Liabilities	11.18	-
	<b>251.63</b>	<b>312.58</b>

8) Fixed Assets										
(₹ in Lakhs)										
Particulars	Gross Block ( At cost )				Depreciation / Amortisation				Net Block	
	As at 01/April/17	Additions	Disposal/ Adjustments	As at 31-March-18	Upto 31-March-17	For the year	Disposal/ Adjustments	Upto 31-March-18	As at 31-March-18	As at 31-March-17
<b>Tangible Assets:</b>										
Office Equipments	0.52	-	-	0.52	0.52	-	-	0.52	-	-
Computer	4.96	-	-	4.96	4.96	-	-	4.96	-	-
<b>Total</b>	<b>5.48</b>	<b>-</b>	<b>-</b>	<b>5.48</b>	<b>5.48</b>	<b>-</b>	<b>-</b>	<b>5.48</b>	<b>-</b>	<b>-</b>
Previous Year	5.48	-	-	5.48	5.48	-	-	5.48	-	-

	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
<b>9) Long-Term Loans and Advances</b>		
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Loans to Body Corporates and Others	300.00	1,146.80
Income Tax Payments (Including MAT credit eligible for set off of ₹ 10.35 Lakhs; Previous Year ₹ 10.35 Lakhs)	92.89	86.13
	<b>392.89</b>	<b>1,232.93</b>

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

			As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
<b>10) Current Investments (at lower of Cost or Fair Value)</b>				
Unquoted, Fully paid	Units	Face Value (in ₹)		
In Mutual Funds				
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	138	10	0.13	0.13
			<b>0.13</b>	<b>0.13</b>
<b>11) Inventories</b> <b>(at lower of cost and net realisable value)</b>				
Stock in Trade				
Shares			-	8.46
Debentures			-	250.00
			-	<b>258.46</b>
<b>12) Trade Receivables</b> <b>(Unsecured, Considered good)</b>				
Outstanding for a period more than six months from the date they became due for payment			-	1,200.00
			-	<b>1,200.00</b>
<b>13) Cash and Bank Balances</b>				
Balance with scheduled bank in current account			45.87	100.15
			<b>45.87</b>	<b>100.15</b>
<b>14) Short-Term Loans and Advances</b> <b>(Unsecured, Considered good)</b>				
Loans and advances			218.87	2.50
Advances to Vendor			-	0.25
Margin Money against Equity Derivative Transactions			-	74.14
			<b>218.87</b>	<b>76.89</b>
<b>15) Other Current Assets</b>				
Interest and Dividend Receivables			54.74	46.55
			<b>54.74</b>	<b>46.55</b>

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

	For the Year Ended 31-March-18 ₹ in Lakhs	For the Year Ended 31-March-17 ₹ in Lakhs
<b>16) Revenue from Operations</b>		
Sale of Shares and Debentures	258.46	184.92
Profit/(Loss) on Equity / Currency Derivatives Trading	(49.58)	(14.57)
Profit on Sale of Investments	12.95	-
Interest Income - on Loans and Others	81.22	43.60
Interest Income - on Debentures	-	23.25
	<b>303.06</b>	<b>237.20</b>
<b>17) Other Income</b>		
Dividend Income - Current Investments	-	0.84
Sundry Balances written back (net)	4.40	0.17
Contingent Provisions against Standard Assets	2.10	-
Compensation	142.00	-
	<b>148.50</b>	<b>1.01</b>
<b>18) (Increase) / Decrease in Stock-in-trade</b>		
Opening stock		
Shares	8.46	156.28
Debentures	250.00	250.00
Less: Closing Stock		
Shares	-	(8.46)
Debentures	-	(250.00)
	<b>258.46</b>	<b>147.82</b>
<b>19) Employee Benefits Expense</b>		
Salaries and Wages	10.75	21.75
	<b>10.75</b>	<b>21.75</b>
<b>20) Finance Costs</b>		
Interest Expense on Borrowings and Others	165.33	193.67
	<b>165.33</b>	<b>193.67</b>
<b>21) Other Expenses</b>		
Rates and Taxes	3.05	3.51
Printing and Stationery	0.42	0.33
Postage / Telephone / Internet	0.21	0.08
Legal and Professional	2.15	8.79
Director Sitting Fees	0.40	-
Audit Fees	0.50	0.97
Travelling and Conveyance	-	0.20
Advertising	1.12	0.88
Contingent Provisions against Standard Assets	-	1.72
Sundry Balance Written off	4.35	1.06
Miscellaneous Expenses	0.49	0.42
	<b>12.69</b>	<b>17.96</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

### 22) Other Notes on Accounts

- 1 Contingent Liability not provided for in respect of:

(₹ in Lakhs)

Particulars	As at 31-March-18	As at 31-March-17
Disputed Income Tax Liability	26.86	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 Pursuant to a review of the business strategy, the Board, at its meeting held on 30th June, 2017, decided to discontinue non-banking financial business and apply for voluntary deregistration of the Company's Certificate of Registration as a Non-Banking Financial Institution granted by Reserve Bank of India ('RBI') under section 45-IA of the RBI Act 1934. The Company, vide its letter dated 3rd July, 2017, has applied to RBI for the same.

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

Name of Equity Index Futures	No. of Units	
	Long	Short
FUTIDX-BANKNIFTY	-	-
	(-)	(3,120)
FUTIDX-NIFTY	-	-
	(-)	(-)
OPTIDX-BANKNIFTY -28APR2016 - CE -16000	-	-
	(-)	(-)

- 5 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 :

- a) 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.
- b) 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 Transaction	Trading in Securities	Financing Activity	Advisory Services	Total
Segment Revenue	221.83	81.23	-	303.06
	(193.60)	(43.60)	-	(237.20)
Segment Results	(36.63)	81.23	-	44.60
	(45.78)	(43.60)	-	(89.38)
Less : Unallocated Expenses net of Unallocated Income				125.06
				(38.70)
Operating Profit				169.66
				(50.68)
Less : Finance Costs				(165.33)
				(193.67)

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

(₹ in Lakhs)

Nature of Transaction	Trading in Securities	Financing Activity	Advisory Services	Total
Profit / (Loss) Before Taxes				4.33
				(142.99)
Less : Tax Expenses ( including prior period Adjustment)				(1.73)
				-
Net Profit / (Loss) for the year				2.60
				(142.99)
Segment Assets	-	573.61	-	573.61
	(335.80)	(1,192.90)	(1,200.00)	(2,728.70)
Unallocated Assets				138.89
				(186.41)
Total Assets				712.50
				(2,915.11)
Segment Liabilities	-	375.60	-	375.60
	(-)	(300.00)	(-)	(300.00)
Unallocated Liabilities				615.52
				(2,896.32)
Total Liabilities				991.12
				(3,196.32)

**Note:**

Figures in brackets are related to Previous year.

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

**A. List of other related parties:**

(As identified by the management), unless otherwise stated)

**I Ultimate Holding Company**

Sambhavnath Infrabuild and Farms Pvt. Ltd.

**II Holding Company**

Arihant Premises Pvt. Ltd.

Lodha Developers Ltd.

**III Fellow Subsidiaries of Ultimate Holding Company / Holding Company (with whom the Company had transactions):**

Nabhiraja Software Design Pvt. Ltd.

**IV Key Management Person (KMP)**

Nilesh Rawat- Managing Director

Sanjyot Rangnekar- Director

Mahesh Bhatt- Company Secretary

Purnima Pavle- Chief Financial Officer

**B. Transactions during the year and Balances Outstanding as at the year ended 31<sup>st</sup> March, 2018 with related parties are as follows:**

**(i) Transactions:**

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Relationship	For the year ended 31-March-18	For the year ended 31-March-17
1	Interest Expenses	Fellow Subsidiary	164.78	193.67
2	Manpower Expenses	Fellow Subsidiary	11.18	-
3	Amount paid on behalf of	Fellow Subsidiary	-	4.00
4	Loans / Advances taken / (returned)	Fellow Subsidiary	(2,116.61)	807.60

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

## (ii) Outstanding Balances :

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Holding Company	Fellow Subsidiaries	Others
1	Other Advances	-	218.87	-
		(-)	(2.50)	(-)
2	Loans Taken	-	437.53	-
		(-)	(2,554.14)	(-)
3	Interest accrued but not due on borrowings	-	148.30	-
		(-)	(193.67)	(-)
4	Trade Payables	-	-	-
		(-)	(-)	(-)
5	Other Liabilities	-	11.18	-
		(-)	(-)	(-)

**Note:**

Figures in brackets are related to Previous year.

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

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Particulars	For the year ended 31-March-18	For the year ended 31-March-17
1	Interest Expenses	Lodha Developers Ltd.	164.78	193.67
2	Manpower Expenses	Nabhiraja Software Design Pvt. Ltd.	11.18	-
3	Amount paid on behalf of	Arihant Premises Pvt. Ltd.	-	4.00
4	Loans / Advances taken / (returned)	Lodha Developers Ltd.	(2,116.61)	807.60

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

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

**8 Going Concern**

Company has an accumulated losses of ₹ 278.62 lakhs as at March 31, 2018. The financial statements have been prepared on going concern basis which assumes that the Parent company will continue to support all the financial related activities of the Company. Management is not aware of any uncertainties that may cast significant doubt upon the Company's ability to continue as going concern basis.

**9 Basic and Diluted Earnings per share**

			As at 31-March-18	As at 31-March-17
a)	Net Profit / (Loss) for the year	(₹ in Lakhs)	2.59	(142.99)
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	(₹)	0.03	(1.43)

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

11 Previous year figures have been regrouped / rearranged wherever necessary.

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 23) 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 :			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
a	<b>Debentures:</b>		
	Secured :	-	-
		(-)	(-)
	Unsecured :	-	-
	(other than falling within the meaning of public deposits)	(-)	(-)
b	Deferred Credits	-	-
		(-)	(-)
c	Term Loans	-	-
		(-)	(-)
d	Inter-corporate loans and borrowing	585.83	-
		(2,747.81)	(-)
e	Commercial Paper	-	-
		(-)	(-)
f	Other Loans	-	-
		(-)	(-)

Assets side :		
2	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):	Amount outstanding
a	Secured	-
		(-)
b	Unsecured	300.00
		(1,220.94)
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	-
		(-)



Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

4	Break-up of Investments	Amount outstanding
	<b>Current Investments :</b>	
<b>I</b>	<b>Quoted:</b>	
	<b>(i) Shares :</b>	
	<b>Equity</b>	-
		(-)
	<b>Preference</b>	-
		(-)
	<b>(ii) Debentures and Bonds</b>	-
		(-)
	<b>(iii) Units of mutual funds</b>	-
		(-)
	<b>(iv) Government Securities</b>	-
		(-)
	<b>(v) Others</b>	-
		(-)
<b>II</b>	<b>Unquoted:</b>	
	<b>(i) Shares :</b>	
	<b>Equity</b>	-
		(-)
	<b>Preference</b>	-
		(-)
	<b>(ii) Debentures and Bonds</b>	-
		(-)
	<b>(iii) Units of mutual funds</b>	0.13
		(0.13)
	<b>(iv) Government Securities</b>	-
		(-)
	<b>(v) Others</b>	-
		(-)
<b>b</b>	<b>Long Term investments</b>	
<b>I</b>	<b>Quoted:</b>	
	<b>(i) Shares :</b>	
	<b>Equity</b>	-
		(-)
	<b>Preference</b>	-
		(-)
	<b>(ii) Debentures and Bonds</b>	-
		(-)
	<b>(iii) Units of mutual funds</b>	-
		(-)
	<b>(iv) Government Securities</b>	-
		(-)
	<b>(v) Others</b>	-
		(-)

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

II	Unquoted:	
	(i) Shares :	
	Equity	-
		(-)
	Preference	-
		(-)
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of mutual funds	-
		(-)
(iv) Government Securities	-	
	(-)	
(v) Others	-	
	(-)	

(₹ in Lakhs)

## 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	-	300.00	300.00
		(-)	(1,220.94)	(1,220.94)

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

(₹ in Lakhs)

Sr. No.	Category	Market Value / Break up or fair value or NAV	
		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
		(0.13)	(0.13)
	Total	0.13	0.13
		(0.13)	(0.13)

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2018

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

## NOTES :

- a As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- b 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 and on behalf of the Board of Directors of Roselabs Finance Limited

For MSKA & Associates  
(Formerly known as 'MZSK & Associates')  
Chartered Accountants  
Firm Registration Number: 105047W

Abuali Darukhanawala  
(Partner)  
Membership No. 108053

Nilesh Rawat  
Managing Director  
DIN: 06705140

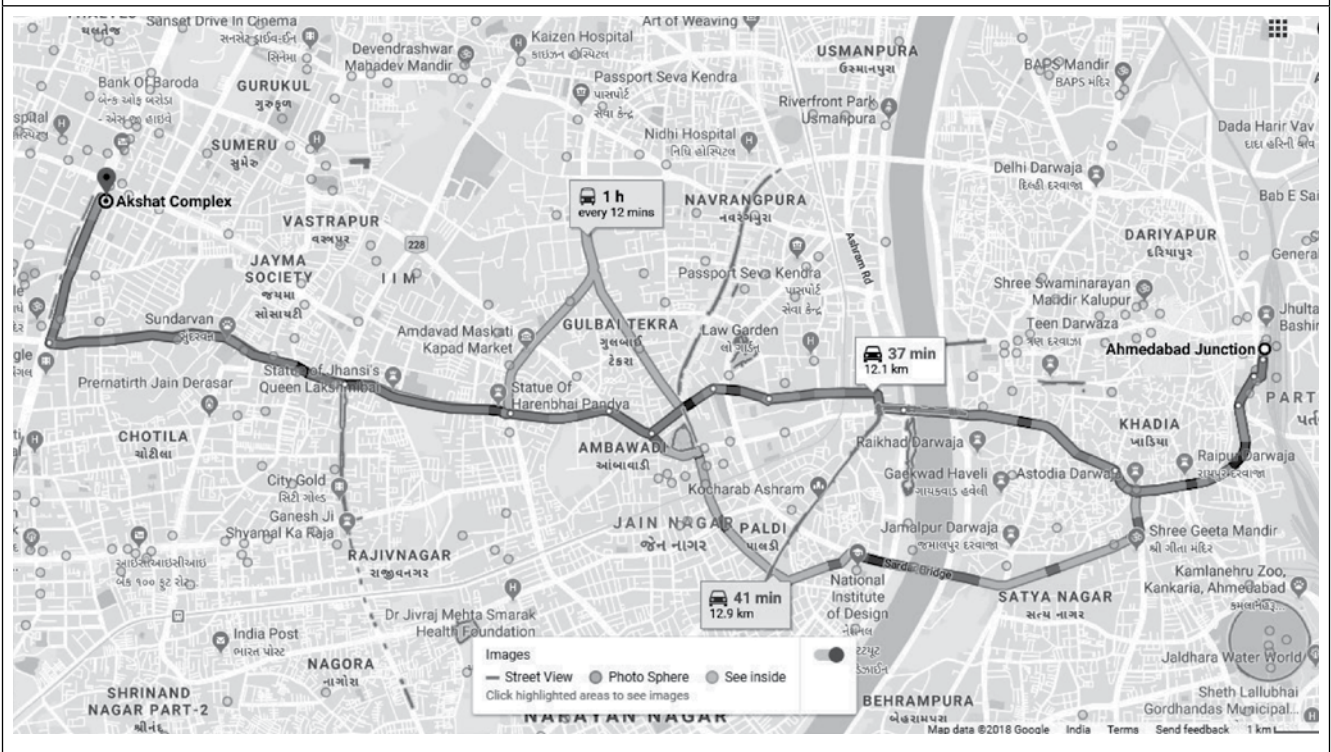
Sanjyot Rangnekar  
Director  
DIN: 07128992

Place : Mumbai  
Date : May 21, 2018

Mahesh Bhatt  
Company Secretary  
Membership No: A3552

Purnima Pavle  
Chief Financial Officer  
Membership No.: 105205

### ROUTE MAP TO REACH THE VENUE OF THE ANNUAL GENERAL MEETING



# ROSELABS FINANCE LIMITED

**Regd Office :** 401, Akshat Complex, Nr. Parshwa Complex, Bodakdev, Gandhi Nagar, Sarkhej Highway, Ahmedabad – 380 015  
**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]

Name of the Member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No. /Client Id & DP. Id : \_\_\_\_\_

I/We, being the Member(s) of Roselabs Finance Limited, holding \_\_\_\_\_ shares hereby appoint

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
- 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 24th Annual General Meeting of the Company, to be held on Tuesday, September 25, 2018 at 2.30 P.M. at: 401, Akshat Complex, Nr. Parshwa Complex, Bodakdev, Gandhi Nagar Sarkhej Highway, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	For	Against
1.	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon		
2.	Reappointment of Ms. Sanjyot Rangnekar as a Director		
3.	Appointment of Mr. Prakash Vaghela (DIN 07768595) as an Independent Director		
4.	Appointment of Mr. Mayank Padiya (DIN 07145403) as an Independent Director		
5.	Change of registered office of the Company from the State of Gujarat to the State of Maharashtra		
6.	Alteration of object clause of the Company		
7.	Change of Name of the Company		

Signed this.....day of .....2018

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 24th 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..

Affix  
Revenue  
Stamp

# ROSELABS FINANCE LIMITED

**Regd Office :** 401, Akshat Complex, Nr. Parshwa Complex, Bodakdev, Gandhi Nagar, Sarkhej Highway, Ahmedabad – 380 015  
**CIN:** L67120GJ1995PLC024070 **E-Mail :** roselabsfinance@lodhagroup.com **Website :** www.roselabsfinancelimited.in **Phone No.:** +91 22 6133 4517

## ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE REGISTRATION COUNTER**

- Name of the Member / Proxy : \_\_\_\_\_
- Folio No. / Client Id & DP. Id : \_\_\_\_\_
- Number of Shares held : \_\_\_\_\_

I certify that I am a member/proxy/authorised representative for the member of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company held on Tuesday, September 25, 2018 at 2.30 p.m. at 401, Akshat Complex, Nr. Parshwa Complex, Bodakdev, Gandhi Nagar Sarkhej Highway, Ahmedabad – 380 015.

\_\_\_\_\_  
Name of the member / Proxy

\_\_\_\_\_  
Signature of the member / Proxy

Note : Kindly complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip at the entrance of the Meeting hall





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