

ROSELABS FINANCE LIMITED

18TH ANNUAL REPORT

2011-12

NOTICE

NOTICE is hereby given that the **18TH ANNUAL GENERAL MEETING** of the Members of **ROSELABS FINANCE LIMITED** will be held on Wednesday, the 26th day of September, 2012 at 11.00 a.m. at the Registered Office of the Company at 111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad – 380 064, to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 and Balance Sheet as at that date together with the report of the Board of Directors and the Auditors thereon.
2. To appoint M/s. Mehta Kothari & Associates, Chartered Accountants, retiring Auditors, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual general Meeting and to fix their remuneration.
3. To appoint a Director in place of Mr. Sagar Gawde, who retires by rotation and being eligible, offers himself for re-appointment.

Registered Office:

111/952, Nirmal Apt,
Sola Road, Naranpura,
Ahmedabad – 380064

Dated: 13th August, 2012

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

**Sd/-
Deependra Gupta
(Managing Director)**

NOTES:

- a) The relevant details of the director seeking reappointment, as required by Clause 49 of Listing Agreement is annexed

- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- c) The Register of members and the Share Transfer Books will remain closed from 16th September, 2012 to 26th September, 2012 (both days inclusive)

- d) Members holding shares of the Company under more than one ledger folio are requested to send to the Registrar & Transfer Agents of the Company, details of all such folios together with the Share Certificates for consolidating the Folios into one. The Share Certificates would be returned to the Shareholders after making the requisite endorsement thereon.

- e) All Correspondences relating to change of Address and shares of the Company may please be addressed to the Companies Registrar and Share Transfer Agents M/s Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S Marg, Mumbai 400 078.

- f) Members are requested to bring their copy of Annual Report to the Meeting as copies of report would not be distributed at the meeting.

- g) Members seeking further information about the accounts and/ operations of the Company, are requested to send their queries to the Company at least TEN days before the date of the Meeting.

ROSELABS FINANCE LIMITED

Details of Director seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to provisions of Clause 49 of the Listing Agreement)

| | |
|--|--|
| Name of the Director | Mr. Sagar Gawde |
| Date of Birth | 20 th October,1984 |
| Date of Initial appointment | 7 th December,2009 |
| Qualification | B.Com |
| Expertise in specific functional area | Accounts and Taxation |
| List of directorship held in other Indian Public Limited Companies | Sanathnagar Enterprises Limited National Standard (India) Limited |
| List of Chairmanship/membership in committees of other Companies. | N.A. |
| No. of shares held in the Company as on 31.03.2012 | Nil |

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Ahmedabad – 380064

Dated: 13th August, 2012

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

**Sd/-
Deependra Gupta
(Managing Director)**

DIRECTORS' REPORT

Dear Shareholders,

Your Company's Directors are pleased to present the 18th Annual Report on the business and operations of the Company together with the statement of account for the year ended 31st March 2012.

1. FINANCIAL RESULTS

(Rs. in Lacs)

| | 2011-2012 | 2010-2011 |
|---|------------------|------------------|
| Total Income | 753.36 | 12.80 |
| Total Expenditure | 838.89 | 6.28 |
| Profit/ (Loss) before Depreciation and Taxation | (85.53) | 6.52 |
| Less: | | |
| Depreciation | 0.64 | 0.83 |
| Profit/ Loss before Tax | (86.17) | 5.69 |
| Provision for Income Tax | 0.25 | 1.06 |
| Transfer to Special Reserve Fund | - | 1.14 |
| Profit/ (Loss) for Appropriation | (86.42) | 3.49 |
| Profit/ (Loss) brought forward | (212.10) | (215.59) |
| Profit/(Loss) transferred to Balance Sheet | (298.52) | (212.10) |

2. BUSINESS OPERATIONS

During the year under review the turnover of the Company was Rs. 753.36 Lakhs. Your Company made Net Loss of Rs. 86.42 Lakhs during the year under review. Your directors are hopeful to achieve better result during the current financial year.

3. DIVIDEND

In view of the need for strengthening the financial base of the Company, your directors have decided not to declare any dividend for the year ended 31st March, 2012.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Sagar Gawde retires by rotation and being eligible, offers himself for re-appointment.

Brief resumes of the Directors proposed to be re-appointed as required under Clause 49 of the Listing Agreement are provided in the Notice of the Annual General Meeting forming part of the Annual Report.

5. AUDITORS REPORT

The observations made in the Auditors Report read together with the relevant notes thereon, are self explanatory and do not call for any comments under Section 217 of the Companies Act, 1956.

6. AUDITORS

M/s. Mehta Kothari & Associates, Chartered Accountants, the Company's Statutory Auditors, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

7. AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to the provision of the Section 292A of the Companies Act, 1956 and as required under Clause 49 of Listing Agreement, details of which are given separately in the Report of Corporate Governance.

8. PARTICULARS OF EMPLOYEES

The Information required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not annexed hereto since none of the employee of the Company was in receipt of total remuneration of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- p.m. during the financial year under review.

9. PUBLIC DEPOSITS

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

10. DEPOSITORY SYSTEM

As the members are aware, the company's Shares are compulsorily tradable in electronic form. As on March 31, 2012, almost 90.86% of the Company's total paid-up Capital representing 9,085,570 shares are in dematerialized form.

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

The Particulars are given in Annexure I to this Report

12. CORPORATE GOVERNANCE

A detailed report on corporate governance pursuant to the requirements of Clause 49 of the Listing Agreement forms part of the Annual Report. A Certificate confirming compliance of conditions of corporate governance as stipulated under the aforesaid Clause 49 is annexed to the Corporate Governance Report.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis, which forms part of this Report.

14. DIRECTORS RESPONSIBILITY STATEMENT

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. Appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31st March, 2012 and Profit for the year ended on that date;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a going concern basis for the financial year ended 31st March, 2012.

15. ACKNOWLEDGEMENT

Your Directors are grateful and would like to place on record their appreciation for the support, guidance and cooperation extended by our Bankers, Government Authorities, Customers, etc. The Board would also like to express its appreciation for the support extended by the Shareholders and the Employees at all levels.

The Directors also take this opportunity to thank the shareholders for the confidence reposed in the management.

Registered Office:
111/952, Nirmal Apt,
Sola Road, Naranpura,
Ahmedabad – 380064

Dated: 30th May, 2012.

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

Sd/-

Sd/-

**Sagar Gawde
Director**

**Deependra Gupta
Managing Director**

ANNEXURE I TO THE DIRECTORS REPORT

Disclosure of particulars as per Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A Conservation of Energy

Company's operations require electrical energy for power supply to computer systems and lighting.

The Company has procured efficient electronic equipment and computer systems for conservation of energy.

B Technology Absorption and Research & Development

Efforts in brief made towards technology absorption, adaption and innovation.

The company operates in the field of investment and trading in shares and securities. The company has made sincere efforts in absorbing the latest technology in this field through development of and acquisition of the necessary skills and technology and effective utilization of the same.

Benefits derived as a result of the above efforts:

Growth of business and productivity improvements through use of latest hardware equipments, software and services.

C Foreign Exchange Earning and Outflow

The Company has not entered into any Foreign Currency Transactions during the year under review.

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Dated: 30th May, 2012.

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

**Sd/-
Sagar Gawde
Director**

**Sd/-
Deependra Gupta
Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of Listing Agreement, a Management Discussion & Analysis Report for the year ended 31st March, 2012 is given below:-

INDUSTRY STRUCTURE AND DEVELOPMENTS

Roselabs Finance Limited is a Non Banking Finance Company, registered with Reserve Bank of India. The company carries on the business of financing activities subject to the norms prescribed by Reserve Bank of India. Your Company has invested its funds in equity shares of the Companies both listed and unlisted companies.

There is general uncertainty and lack of confidence in the Financial Market across the country. Your company has made a Net Loss of Rs. 86.42 Lakhs for the financial year ended as at 31st March, 2012 and Net Profit of Rs. 3.49 Lakhs in the immediately preceding financial year.

OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERNS:

As far as the future outlook is concerned the company is expected to increase the scope of the business in the future, considering the fact that the financial market picks up. As far as threats and risk is concerned, the factors like Government set up, inflation levels, interest rates and volatility in secondary market are crucial.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company is mainly engaged in the business of NBFC. There are no separate reportable segments as defined by Accounting Standard – 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India.

INTERNAL CONTROL SYSTEMS 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

The Company has made pretax Loss for the financial year 2011- 2012 to the tune of Rs. 86.17 Lakhs , the operating cost being Rs. 8,08,13,206/-

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT

There has been no material development on the Human Resources/ Industrial Relations Front during the year.

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.

Registered Office:
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Ahmedabad – 380064

Date: 30th May, 2012.

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

Sd/-
**Deependra Gupta
Managing Director**

REPORT ON CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement, a separate report on Corporate Governance for the financial year ended 31st March, 2012 along with the Certificate of the Auditors of the Company is given below:

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard.

Your Company conducts its affairs in a fair, transparent and professional manner. Your company has always followed fair business and corporate practices. The company believes that adherence of good corporate governance is a milestone for survival and long term growth.

2) BOARD OF DIRECTORS ("BOARD")

The Board, as on date of signing of the Director's Report, comprises of three Directors. The Chairman of the Board is a Non-Executive Director. The Directors are eminently qualified and experienced professionals in business, finance and corporate management.

a) Composition of board:

As on 31st March, 2012, the Board comprised of three directors' viz. Shri Samyak Veera, Shri Deependra Gupta and Shri Sagar Gawde.

None of the Directors on the Board is a member on more than Ten Committees and Chairman of more than Five Committees including Roselabs Finance Limited.

b) Number of Board Meetings:

During the year from 1st April, 2011 to 31st March, 2012, the Board of Directors met fourteen times on the following dates:

Board Meeting were held on 7th April, 2011, 28th April, 2011, 29th April, 2011, 9th May, 2011, 10th May, 2011, 24th May, 2011, 7th June, 2011, 11th August, 2011, 13th August, 2011, 23rd August, 2011, 2nd September, 2011, 11th November, 2011, 9th January, 2012 and 11th February, 2012.

ROSELABS FINANCE LIMITED

Also the composition of the Board as on 31st March, 2012, attendance at board meetings (BM) held during the financial year under review and last Annual General Meeting (AGM) and number of Directorship and Membership/Chairmanship in other Public Companies are given below:

| Sr. No. | Name of the director | Category | Attendance for F.Y. ended 31.03.2012 | | Other Directorships | No. of committee position held in other companies | |
|---------|-----------------------|----------|--------------------------------------|-------|---------------------|---|--------|
| | | | (BM) | (AGM) | | Chairman | Member |
| 1. | Shri. Samyak Veera | P-NE | - | - | - | N.A | N.A |
| 2. | Shri. Sagar Gawde | I-NE | 14 | 1 | 2 | N.A | N.A |
| 3. | Shri. Deependra Gupta | I-NE | 14 | 1 | 2 | N.A | N.A |

NE: Non Executive, E: Executive, NI: Non Independent, I: Independent, P: Promoter

3) COMMITTEES OF THE BOARD:

Non-Executive Directors, including the Chairman, provide guidance to the management on policy matters as well as in the monitoring actions of operating management.

To comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the composition of these Committees is as under:

| Sr. No. | Name of the Members | Audit Committee | Shareholders Grievances & Transfer Committee | Remuneration Committee |
|---------|----------------------|-----------------|--|------------------------|
| 1 | Shri Samyak Veera | Yes | Yes | No |
| 2 | Shri Deependra Gupta | Yes | Yes | No |
| 3 | Shri Sagar Gawde | Yes | Yes | No |

3.1 AUDIT COMMITTEE:

(a) COMPOSITION OF COMMITTEE:

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Boards responsibilities, your company has constituted an Audit Committee.

As on 31st March, 2012, the Committee members comprised of 3 directors viz. Shri Sagar Gawde, Shri Deependra Gupta and Shri Samyak Veera. Shri Sagar Gawde was the Chairman of the committee.

The terms of reference/ powers of the audit committee mandated by your board of directors which is also in line with the statutory and regulatory requirement are:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other services.
- c. Reviewing with management the annual financial statements before submission to the Board.
- d. Reviewing the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function.
- f. Reviewing the findings of any internal investigations into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- g. Discussion with External Auditors before the audit commences nature and scope of audit as well as post- audit discussions to ascertain any area of concern.
- h. Reviewing the company's financial and risk management policies.

(b) MEETINGS AND ATTENDANCE DURING THE YEAR:

Four Meetings of Audit Committee were held during financial year 2011-2012, and all members were present at the meetings.

3.2 REMUNERATION COMMITTEE:

Company has not constituted remuneration committee. Board of Directors of the Company decide remuneration policy of the Company.

3.3 SHAREHOLDERS/INVESTOR'S GRIEVANCE COMMITTEE:

Your Company had constituted Shareholders/Investor's Grievance Committee as required under clause 49 of the Listing Agreement.

The Committee consists three members viz. Shri Sagar Gawde, Shri Samyak Veera and Shri. Deependra Gupta. Shri Deependra Gupta is the Chairman of the Committee.

The terms of reference / powers of the Shareholders / Investors Grievance Committee specified by the Board of Directors are as under:

To approve transfer, transmission, sub-division and issue of duplicate shares and redressal of investor complaints.

The Company has not received any Complaints during the year from the shareholders.

Four Meetings of Shareholders / Investor's Grievance Committee were held during financial year 2011-2012, and all members were present at the Meeting.

4. GENERAL BODY MEETING:**DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS:**

| Year | Location | Date | Day | Time | No. of special Resolution |
|-------------|---|-------------|------------|---------------|----------------------------------|
| 2008-2009 | 123/1, Saijpur Gopalpur , Pirana Road, Piplej, Ahmedabad-382405 | 04.09.2009 | Friday | 11.30 A.M. | Nil |
| 2009-2010 | 111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad- 380064 | 27.09.2010 | Monday | 11.30 A.M. | Nil |
| 2010-2011 | 111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad- 380064 | 26.09.2011 | Monday | 11.00 A.M. | 1 |

No postal ballot procedures were required for any of the resolutions passed by the Company at any of the general meetings.

4. DISCLOSURES:

- (I) As per the Auditor's Report for the financial year ended 31st March, 2012, the Company has not entered into any transaction of material nature with its Promoters, Directors, Relatives or Management that may have potential conflict with the interest of Company.
- (II) The company has complied with the requirements of statutory/ regulatory authorities on capital market and no penalties/strictures have been imposed on the Company by SEBI or Stock Exchanges during the last three financial years.
- (III) The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement.

5. GENERAL SHAREHOLDERS INFORMATION:

I. MEANS OF COMMUNICATION:

For the quarter ended 30th June, 2011

The quarterly Un-Audited Financial results were published in "The Financial Express" (English) and "Western Times" (Gujarati).

For the quarter ended 30th September, 2011

The quarterly Un-Audited Financial results were published in "The Financial Express" (English) and "Western Times" (Gujarati).

For the quarter ended 31st December, 2011

The quarterly Un-Audited Financial results were published in "The Financial Express" (English) and "Western Times" (Gujarati).

For the quarter ended 31st March, 2012 and for the financial year ended 31st March, 2012

The quarterly Audited Financial results for the quarter ended 31st March, 2012 and the Annual Audited Financial results for the financial year ended 31st March, 2012 were published in "The Financial Express" (English) and "Western Times" (Gujarati).

II. 18TH ANNUAL GENERAL MEETING:

Date : 26th September, 2012
Time : 11.00 A. M.
Day : Wednesday
Venue : 111/952, Nirmal Apartment,
Sola Road, Naranpura
Ahmedabad- 380 064.

III. FINANCIAL CALENDAR 2012-2013:

Results for Quarter : (Tentative and Subject to change)
Annual General Meeting : 26th September, 2012
Ending on 30th June, 2012 : Second Week of August, 2012
Ending on 30th September, 2012 : Second Week of November, 2012
Ending on 31st December, 2012 : Second Week of February, 2013
Ending on 31st March, 2013 : Last Week of May, 2013

IV. DATE OF BOOK CLOSURE:

16th September 2012 to 26th September, 2012 (Both Days Inclusive)

V. LISTING ON STOCK EXCHANGES:

| | |
|---|---|
| (1). Ahmedabad Stock Exchange Ltd. Kamdhenu Complex, Opp: Sahjanand College, Panjarapole, Ahmedabad- 380 015. | (2) Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. |
|---|---|

VI. STOCK CODE:

Ahmedabad Stock Exchange: 549756, Bombay Stock Exchange Ltd.: 531324

VII. LISTING FEES:

The Company has paid the Annual Listing fees to each of the above Stock Exchanges for the financial year 2012-2013.

VIII. DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) IN NSDL

AND CDSL FOR EQUITY SHARES:

INE475C01012.

IX. DEMATERIALISATION OF SECURITIES:

90.86% of the Company's Equity Share Capital is dematerialized as on 31st March, 2012, by the members of the Company through CDSL and NSDL.

X. MONTHWISE STOCK MARKET DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD 1ST APRIL, 2011 TO 31ST MARCH, 2012:

| PERIOD FROM 1 st April, 2011 TO 31 st March, 2012 | PRICE PER SHARE | |
|--|-----------------|----------|
| | HIGH(RS) | LOW(Rs.) |
| April, 2011 | 7.05 | 7.05 |
| May, 2011 | 6.03 | 5.47 |
| June, 2011 | 4.54 | 4.54 |
| July, 2011 | 4.01 | 4.01 |
| August, 2011 | 5.51 | 5.51 |
| September, 2011 | 6.30 | 6.30 |
| October, 2011 | 6.60 | 6.30 |
| November, 2011 | 6.00 | 6.00 |
| December, 2011 | 5.71 | 5.71 |
| January, 2012 | 5.71 | 5.71 |
| February, 2012 | 5.99 | 5.43 |
| March, 2012 | 4.77 | 4.77 |

XI. SHARE TRANSFER SYSTEM:

All the share transfers are processed by the Registrar and Transfer agent and are approved by the company within a period of one month from the date of receipt of the documents, provided all documents are valid and complete in all respects.

XII. REGISTRAR & TRANSFER AGENT:

Link Intime India Private Limited
 C- 13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup,
 Mumbai- 400 078.
 Tel No: 022- 25963838
 Email Id: isrl@intimespectrum.com

XIII. REGISTERED OFFICE ADDRESS FOR COMMUNICATION:

111/952, Nirmal Apartment,
 Sola Road, Naranpura
 Ahmedabad- 380 064

XIV. SHAREHOLING PATTERN AS ON: 31ST MARCH, 2012:

| SR. NO. | CATEGORY | NO. OF SHARES HELD | PERCENTAGE OF SHAREHOLDING |
|---------|--|--------------------|----------------------------|
| 1. | Indian Public | 1438299 | 14.38 |
| 2. | NRIs/OCB | NIL | NIL |
| 3. | Mutual Funds and UTI | NIL | NIL |
| 4. | Banks, Financial Institutions, Insurance Companies, (Central Institutions) | NIL | NIL |
| 5. | Other Bodies Corporate | 2756429 | 27.57 |
| 6. | Corporate Bodies (Promoter Co) | 5764181 | 57.64 |
| 7. | Clearing Member | 41091 | 0.41 |
| | TOTAL | 10000000 | 100.00 |

XV DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2012

| SHAREHOLDING OF NOMINAL VALUE OF RUPEES | NUMBER OF SHAREHOLDERS | PERCENTAGE OF TOTAL | SHARES ALLOTTED | PERCENTAGE OF TOTAL |
|---|------------------------|---------------------|-----------------|---------------------|
| 1 - 5000 | 804 | 67.3931 | 2329700 | 2.3297 |
| 5001 - 10000 | 215 | 18.0218 | 1807900 | 1.8079 |
| 10001 - 20000 | 66 | 5.5323 | 997090 | 0.9971 |
| 20001 - 30000 | 23 | 1.9279 | 587620 | 0.5876 |
| 30001 - 40000 | 13 | 1.0897 | 477180 | 0.4772 |
| 40001 - 50000 | 15 | 1.2573 | 652570 | 0.6926 |
| 50001 - 100000 | 18 | 1.5088 | 1195590 | 1.1956 |
| 100001 And Above | 39 | 3.2691 | 91912350 | 91.9124 |
| TOTAL | 1193 | 100 | 10000000 | 100 |

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

To,
The Members of
ROSELABS FINANCE LIMITED
Ahmedabad

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

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance requirements by the company, issued by the auditors, is given as an Annexure to the Director's Report.

The above report was adopted by the Board at their meeting held on 30th May, 2012.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: 30th May, 2012.

Sd/-
Deependra Gupta
(Managing Director)

CERTIFICATE

To,
The Members of
ROSELABS FINANCE LIMITED
Ahmedabad

We have read the report of directors on corporate governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Roselabs Finance Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement executed by company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for issuing the compliance of the conditions of the certificate of the corporate governance.

It was neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the Listing Agreement.

We state that no investor complaints are pending for a period exceeding 30 days against the company as per the records maintained by the share transfer and investors grievances committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For Mehta Kothari & Associates,
Chartered Accountants

Sd/-
(Pradip C. Mehta)
Partner

Place: Mumbai
Date: 30th May, 2012

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Deependra Gupta, Chairman and Managing Director and Sagar Gawde, Chairman of the Audit Committee of Roselabs Finance Limited, hereby certify the Board that:

- (a) We have reviewed the financial statements and the cash flow statements for the year and to the best of our knowledge and belief;
 - (I) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (II) These statements together present a true and fair view of the company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief no transactions entered into by Roselabs Finance Limited during the year which are fraudulent, illegal or violate of the companies' code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Roselabs Finance Limited and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and audit committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee:
 - (I) Significant changes in internal controls over financial reporting during the year.
 - (II) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.

- (III) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the management or of any employee having a significant role in the company's internal control system.
- (e) We affirm that we have not denied any personal access to the Audit Committee of the company in respect of matters involving alleged misconduct, if any.
- (f) We further declare that all Board members and senior management have affirmed compliance with the code of conduct for the current year.

S/d-

Sd/-

Place: Ahmedabad
Date: 30th May, 2012.

Deependra Gupta
Chairman & Managing Director

Sagar Gawde
Director & Chairman
Audit Committee

AUDITOR'S REPORT

To,

The Members,
Roselabs
Finance Ltd.

- 1 We have audited the attached Balance Sheet of **ROSELABS FINANCE LIMITED** ("the Company") as at 31st March, 2012 and the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that my audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 ('the Order') as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records of the Company as we considered appropriate, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
- 4 Further to our comments in the Annexure referred to in Paragraph 3 above, we state that :-
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of such books.
 - The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012 and
 - in the case of the Statement of Profit and Loss of the loss of the Company for the year ended on that date. iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR MEHTA KOTHARI &
ASSOCIATES CHARTERED
ACCOUNTANTS**

**Sd/- (PRADIP C.
MEHTA)
PARTNER.**

Membership No. : 35447

PLACE :
MUMBAI
DATE :30th May, 2012

ANNEXURE TO THE AUDITORS REPORT**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE AND IN TERMS OF THE EXPLANATIONS AND THE INFORMATION GIVEN TO US AND ON THE BASIS OF SUCH CHECKS AS WE CONSIDERED APPROPRIATE , WE FURTHER STATE THAT :**

- 1 (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 but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
- 2 (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The Company has received confirmation of Shares lying with depository participants at regular intervals.
- (b) The procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3 (a) The Company has not granted nor obtained loans as per register maintained under Section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- 5 (a) The Clause (a) & (b) are not applicable as per Nil Register produced before us.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at relevant time.
- 6 The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA and directions issued by the Reserve Bank of India or any other relevant provisions of the Act and the rules framed there under.
- 7 In our opinion, the Company has not maintained internal internal audit system due to smallness of the business.
- 8 We have been informed by the management that Central Government has not prescribed maintainance of cost records under Section 209(l) (d) of the Companies Act, 1956 in respect of products manufactured by the Company.
- 9 In respect of statutory dues :
- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including providend fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2012 for a period of more that six months from the date they become payable.
- 10 In our opinion, the accumulated losses of the Company are not more than fifty percent of its network. The Company has incurred cash losses during the financial year covered by our audit. However, has not incurred cash losses in the immediately preceding financial year.
- 11 As the Company has not borrowed from financial institutions or banks or issued debentures. Hence in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.
- 12 In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities, Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- 13 In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable of the Company.
- 14 The Company has maintained proper records of transactions and contracts in respect of dealings in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- 15 As the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of the Act are not applicable to the Company. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 16 The Company has not raised any term loan during the year. Therefore, the provision of the Act are not applicable to the Company. Therefore, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 17 According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- 18 According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to any parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable of the Company.
- 19 As Company has not issued any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable of the Company.
- 20 As the Company has not raised any money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable of the Company.
- 21 In our opinion and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

**FOR MEHTA KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Sd/-
(PRADIP C. MEHTA)**

PARTNER.

Membership No. : 35447

PLACE : MUMBAI

DATE : 30th May, 2012

BALANCESHEETASAT31STMARCH.2012

| Particulars | Note No | As at 31st March, 2012 Rs. | As at 31st March, 2011 Rs. |
|--------------------------------------|---------|-------------------------------|-------------------------------|
| <u>I.EQUITYANDLIABILITIES</u> | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 100,000,000 | 100,000,000 |
| (b) Reserves and Surplus | 3 | (29,324,379) | (20,682,974) |
| (2) Non-Current Liabilities | | | |
| (a) Deferred Tax Liabilities (Net) | 4 | 24,575 | - |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 5 | 482,198,403 | 198,179,763 |
| (b) Trade Payables | 6 | 2,165,816 | 139,746,391 |
| (c) Other Current Liabilities | 7 | 1,828,565 | 22,252 |
| Total | | 556,892,981 | 417,265,432 |
| <u>II.ASSETS</u> | | | |
| (1) Non - Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 8 | 164,905 | 156,895 |
| (b) Long Term Loans and Advances | 9 | 22,949,888 | 20,661,568 |
| (2) Current Assets | | | |
| (a) Current Investments | 10 | 10,084 | 9,459 |
| (b) Inventories | 11 | 115,770,517 | 138,939,949 |
| (c) Cash and Bank Balances | 12 | 10,494,774 | 1,890,444 |
| (d) Short-Term Loans and Advances | 13 | 386,903,423 | 255,607,116 |
| (e) Other Current Assets | 14 | 20,599,388 | - |
| Total | | 556,892,981 | 417,265,432 |

Summary of Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

1-27

As per our attached Report of even date

For MEHTA KOTHARI & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

Sd/-

Pradip C Mehta
Partner

M.No.35447

Place : Mumbai

Date : 30th May, 2012

Sd/-

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | Notes No | For the Year ended 31st March, 2012 Rs. | For the Year ended 31st March, 2011 Rs. |
|--|----------|--|--|
| Revenue: | | | |
| Revenue from Operations | 15 | 16,321,634 | - |
| Other Income | 16 | 59,014,349 | 1,279,720 |
| Total Revenue | | 75,335,983 | 1,279,720 |
| Expenses: | | | |
| Purchase of Stock-in-Trade | 17 | 2,536 | 138,939,949 |
| Change in inventories of Stock-in-trade | 18 | 23,169,432 | (138,939,949) |
| Finance Costs | 19 | 57,644,043 | 1,194 |
| Depreciation and Amortization Expense | 8 | 63,560 | 82,921 |
| Other Expenses | 20 | 3,073,243 | 626,361 |
| Total Expenses | | 83,952,814 | 710,475 |
| Profit/(Loss) before tax | | (8,616,830) | 569,244 |
| Tax expense: (1) | | | |
| Current tax (2) | | - | 106,200 |
| Deferred tax | | 24,575 | - |
| Profit/(Loss) for the year | | (8,641,405) | 463,044 |
| Earnings per equity share: (Face value of Rs.10 per equity share) | 21 | (0.86) | 0.05 |
| (1) Basic and Diluted | | | |

Summary of Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

1-27

As per our attached Report of even date

For MEHTA KOTHARI & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

Sd/-
Pradip C Mehta
Partner
M.No.35447
Place : Mumbai
Date : 30th May, 2012Sd/-
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

| | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | Rs. | Rs. |
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before Taxation | (8,616,830) | 569,244 |
| Adjustments: | | |
| Depreciation and Amortization Expense | 63,560 | 82,921 |
| Interest Income | (57,679,724) | (1,005,074) |
| Dividend Income | (1,334,625) | (274,646) |
| Operating Profit Before Working Capital Changes | (67,567,619) | (627,555) |
| WORKING CAPITAL CHANGES | | |
| Adjustments: | | |
| Increase in Loans and Advances and Other Assets | (154,184,015) | (149,563,810) |
| (Increase)/ Decrease in Inventories | 23,169,433 | (138,939,949) |
| Increase/ (Decrease) in Trade Payable and Other Liabilities | (135,774,262) | 138,664,512 |
| NET CASH FLOW USED IN OPERATING ACTIVITIES | (A) (266,788,844) | (149,839,247) |
| B CASH FLOW FROM INVESTMENT ACTIVITIES: | | |
| a. Purchase of Fixed Assets | (71,570) | - |
| b. Purchase of Investment | (625) | - |
| c. Sale of Investment | - | 3,994,287 |
| d. Interest Received | 57,679,724 | 1,005,074 |
| e. Dividend Received | 1,334,625 | 274,646 |
| NET CASH FLOW FROM INVESTMENT ACTIVITIES | (B) 58,942,154 | 5,274,006 |
| C CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Borrowings | 284,018,640 | 133,121,439 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | (C) 284,018,640 | 133,121,439 |
| Net Increase / (Decrease) in Cash and Cash equivalent (A+B+C) | 8,604,330 | (12,071,356) |
| ADD: Cash and Cash equivalents at the beginning of the year. | 1,890,444 | 13,961,800 |
| Cash and Cash Equivalents at the end of the year. | 10,494,774 | 1,890,444 |

Note:

- The previous year's figures have been regrouped and reclassified wherever necessary.

For and on behalf of
Roselabs Finance Limited

Sd/-

Directors

Place : Mumbai
Date : 30th May,2012

Notes: 1 Summary of Significant Accounting Policies**a. Basis of accounting :**

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

b. Use of estimates :

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

c. Borrowing costs :

Borrowing costs attributable to a acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

Fixed assets :**d.**

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

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

Depreciation :**e.**

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

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

The depreciation on assets used for construction is treated as period cost.

f. Investments:

Investments are classified into long term and current investments.

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

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

g. Inventories:

Inventories are valued at lower of cost and net realisable value. It has been accepted as taken, valued and certified by the management of the Company.

h. Revenue recognition:

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

ii Interest income is recognised on a time proportion basis.

i. Taxation :

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

MAT is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the tax rate and tax laws enacted or substantively enacted at the balance sheet date, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

j. Provision and contingent liabilities :

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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees)

| NOTES PARTICULARS | As at 31st March 2012 | | As at 31st March 2011 | |
|--|-----------------------|--------------------|-----------------------|---------------------|
| | Nos | Amount (Rs.) | Nos | Amount (Rs.) |
| 2 Share Capital :- | | | | |
| (a) Authorised :- | | | | |
| 1,10,00,000 (Previous year 1,10,00,000) Equity of Shares of Rs.10 each | | | | |
| | | 110,000,000 | | 110,000,000 |
| (b) Issued, Subscribed and fully Paid - up | | | | |
| 1,00,00,000 (Previous year 1,00,00,000) Equity of Shares of Rs.10 each | | | | |
| | | 100,000,000 | | 100,000,000 |
| (c) Reconciliation of Number of Shares and Amount:- | | | | |
| Equity Shares of Rs. 10/- each | | | | |
| As per last Financial Statement | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| Add: changes during the year | - | - | - | - |
| | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| (d) Share holders holding more than 5% Equity Shares | | | | |
| Name of Shareholders | In Nos | In % | In Nos | In % |
| Poonam Fast Foods Pvt.Ltd | 5,764,181 | 57.64 | 5,764,181 | 57.64 |
| (e) Rights and Preferences of Shareholders | | | | |
| 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, 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. | | | | |
| 3 RESERVES AND SURPLUS | | | | |
| Special Reserve Fund [Sec.451C] | | | | |
| As per last Financial Statement | | | 527,375 | 413,525 |
| Add: Transferred from Statement of Profit and Loss | | | - | 113,850 |
| | | | 527,375 | 527,375 |
| Deficit in the Statement of Profit and Loss | | | | |
| As per last Financial Statement | | | (21,210,349) | (21,559,543) |
| Add: Profit/(Loss) for the year as per annexed Statement of Profit and Loss | | | (8,641,405) | 463,044 |
| Less: Transferred to Special Reserve Fund | | | - | 113,850 |
| | | | (29,851,754) | (21,210,349) |
| | | | (29,324,379) | (20,682,974) |
| 4 Deferred Tax (Assets) / Liability (net) | | | | |
| Timing difference on account of | | | | |
| Difference between book and Tax depreciation | | | 24,575 | - |
| | | | 24,575 | - |
| 5 Short-Term Borrowings | | | | |
| Unsecured | | | | |
| Repayable on Demand | | | | |
| Loans From: | | | | |
| Others | | | | |
| Interest Free Loan from a body corporate | | | 78,752,120 | 198,179,763 |
| Loan from a body corporate (Interest Rate:13.50% to 18% p.a.) | | | 403,446,283 | - |
| | | | 482,198,403 | 198,179,763 |
| 6 Trade Payable | | | | |
| Trade Payable * | | | 2,165,816 | 139,746,391 |
| | | | 2,165,816 | 139,746,391 |

* There are no dues payable to Micro, Small and Medium Enterprises as at the Balance Sheet date.

| | | | | | | | | | | |
|------------------------------------|--|--|--|--|--|--|--|--|------------------|---------------|
| 7 Other Current Liabilities | | | | | | | | | | |
| Duties and taxes | | | | | | | | | 1,828,565 | 22,252 |
| | | | | | | | | | 1,828,565 | 22,252 |

8 Fixed Assets

(Amount in Rs.)

| Name of the Assets | Gross Block (at cost) | | | | Depreciation / Amortisation | | | | Net Block | |
|----------------------|-----------------------|---------------|------------|----------------|-----------------------------|---------------|-----------|----------------|----------------|----------------|
| | As at | | | As at | Upto | For the | Upto | As at | As at | |
| | 01-Apr-11 | Additions | Deductions | 31-Mar-12 | 31-Mar-11 | Year | Deduction | 31-Mar-12 | 31-Mar-12 | 31-Mar-11 |
| Airconditioners | 44,890 | - | - | 44,890 | 7,894 | 5,146 | - | 13,040 | 31,850 | 36,996 |
| Water Purifier | 7,190 | - | - | 7,190 | 1,271 | 823 | - | 2,095 | 5,095 | 5,919 |
| Computers | 348,093 | 71,570 | - | 419,663 | 234,113 | 57,590 | - | 291,703 | 127,960 | 113,980 |
| Total | 400,173 | 71,570 | - | 471,743 | 243,278 | 63,560 | - | 306,838 | 164,905 | 156,895 |
| Previous Year | 400,173 | - | - | 400,173 | 160,357 | 82,921 | - | 243,278 | 156,895 | |

9 Long Term Loans and Advances

| | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|-------------------|-------------------|
| Advances to Others | | | | | | | | | 20,569,113 | 20,569,113 |
| Income tax deducted at source and payments [Net of Provision for Taxation Rs.1,06,200/- (Previous year Rs.1,06,200/-)] | | | | | | | | | 2,380,775 | 92,455 |
| | | | | | | | | | 22,949,888 | 20,661,568 |

10 Current Investments**Non Trade, quoted, fully paid
In Mutual Funds**

| | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|---------------|--------------|
| ICICI Prudential Flexible Income Plan 100.475 units (Previous year 94.326 units) | | | | | | | | | 10,084 | 9,459 |
| | | | | | | | | | 10,084 | 9,459 |

11 Inventories(At lower of cost and net realisable value)
Stock-in-Trade

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--------------------|--------------------|
| | | | | | | | | | 115,770,517 | 138,939,949 |
| | | | | | | | | | 115,770,517 | 138,939,949 |

12 Cash and Bank BalancesCash and Cash Equivalents
Balance with Banks
Cash on Hand

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|-------------------|------------------|
| | | | | | | | | | 9,552,920 | 947,757 |
| | | | | | | | | | 941,854 | 942,688 |
| | | | | | | | | | 10,494,774 | 1,890,444 |

**13 Short Term Loans and Advances
Considered Good**

Loans to Bodies Corporate and Others

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--------------------|--------------------|
| | | | | | | | | | 386,903,423 | 255,607,116 |
| | | | | | | | | | 386,903,423 | 255,607,116 |

14 Other Current AssetsDeposit
Margin Money
Others

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|-------------------|----------|
| | | | | | | | | | 340,000 | - |
| | | | | | | | | | 19,561,599 | - |
| | | | | | | | | | 697,789 | - |
| | | | | | | | | | 20,599,388 | - |

15 Revenue From OperationsSale of Shares
Loss on Share/ Option trading

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|-------------------|----------|
| | | | | | | | | | 25,897,589 | - |
| | | | | | | | | | (9,575,954) | - |
| | | | | | | | | | 16,321,634 | - |

16 Other IncomeInterest Income - on Loan
Dividend Income - Current Investments

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|-------------------|------------------|
| | | | | | | | | | 57,679,724 | 1,005,074 |
| | | | | | | | | | 1,334,625 | 274,646 |
| | | | | | | | | | 59,014,349 | 1,279,720 |

17 Purchase of Stock-in-Trade

Purchase - Equity Shares

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--------------|--------------------|
| | | | | | | | | | 2,536 | 138,939,949 |
| | | | | | | | | | 2,536 | 138,939,949 |

18 Change in inventories of Stock-in-trade

| | | |
|--|-------------------|----------------------|
| Stock at Commencement | 138,939,949 | - |
| Less: Stock at Close | 115,770,517 | 138,939,949 |
| (Increase)/ Decrease in Stock-in-Trade | <u>23,169,432</u> | <u>(138,939,949)</u> |

19 Financial Costs

| | | |
|--|-------------------|--------------|
| Interest Expenses on Borrowings and Others | 57,641,238 | - |
| Interest on Income Tax | 2,805 | 1,194 |
| | <u>57,644,043</u> | <u>1,194</u> |

20 Other Expenses

| | | |
|------------------------------------|------------------|----------------|
| Payment to Auditor as :- | | |
| Audit and Tax Audit Fees | 160,000 | 160,000 |
| Reimbursement of Service Tax | 19,776 | 16,480 |
| Rent | 677,811 | 38,880 |
| Rates and Taxes | 2,500 | 2,500 |
| Professional and Consultation Fees | 1,467,274 | 259,083 |
| Travelling and Conveyance Expenses | 556,497 | 6,218 |
| Filing Fees | 16,620 | 6,871 |
| Advertisement Expenses | 35,114 | 29,221 |
| Folio Custody Charges | 33,090 | 33,090 |
| Listing Fees | 29,225 | 16,545 |
| Miscellaneous Expenses | 75,337 | 57,473 |
| | <u>3,073,243</u> | <u>626,361</u> |

21 Earnings Per Shares:

Earnings Per Shares (EPS) computed in accordance with Accounting Standard - 20.

| | | |
|--|-------------|------------|
| Particulars | | |
| Net Profit/(Loss) for the year | (8,641,405) | 463,044 |
| No. of Equity shares as on April 1 | 10,000,000 | 10,000,000 |
| Add: Shares allotted | - | - |
| No. of Equity shares as on March 31 | 10,000,000 | 10,000,000 |
| Weighted average no. of equity shares outstanding at the end of the year | 10,000,000 | 10,000,000 |
| Face value of equity shares | 10 | 10 |
| Basic and diluted earnings per share | (0.86) | 0.05 |

Other Notes on financial accounts

- 22 Balance in certain accounts of Trade Payables and Loans and Advances given are subject to reconciliation / confirmation, In the opinion of the management, the difference as may be noticed on such reconciliation will not be material.
- 23 In the opinion of the Management, the assets other than fixed assets and current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 24 a. List of related parties with whom transactions have taken place during the year.
- (i) **Control Exists :** Nil
- (ii) **Companies Controlled by Directors / Relatives :** Nil
- (iii) **Key Management Personnel :** 1. Shri Deependra Gupta
2. Shri Sagar Gawde
- b. Transactions during the year ended 31st March, 2012 (at arm's length) and Balances Outstanding as at 31st March, 2012 with related parties are as follows:
- Nil -
- 25 As the Company has only one segment reporting in terms of Accounting Standard 17 as notified under the Companies (Accounting Standard) Rules, 2006, is not applicable.
- 26 Disclosure in respect of Operating lease (AS-19):
Assets taken on cancellable lease:
- a. The Company has taken commercial premises under cancellable Operating Lease. The Lease Agreement is usually renewable by mutual consent on mutually agreeable terms.
- b. The rental expenses in respect of cancellable Operating Lease is charged as rent amounting to Rs.6,77,811/- (previous year Rs. Nil) under Note 20.
- 27 The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significant impacted the disclosure and presentation made in the financial statements. Accordingly, the Company has reclassified the previous year figure to this year classification. The adoption of revised Schedule VI does not impact revenue recognition and measurement principles followed for preparation of Financial statements.

As per our attached Report of even date

For MEHTA KOTHARI & ASSOCIATES
Chartered Accountants

Sd/-

Pradip C Mehta
Partner
M.No.35447
Place : Mumbai
Date : 30th May, 2012

ROSELABS FINANCE LIMITED

ROSELABS FINANCE LIMITED

111/952, NIRMAL APARTMENT, SOLA ROAD, NARANPURA, AHMEDABAD- 380 064

ANNUAL GENERAL MEETING
PROXY FORM

I/ We _____

of _____ being a member(s) of the above named Company, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy and to vote for me/us on my behalf at the **EIGHTEENTH ANNUAL GENERAL MEETING OF THE COMPANY** at 111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad- 380064 to be held on Wednesday, 26th September, 2012 at 11:00 a.m. or at any adjournment thereof.

Signed this _____ day of September, 2012

Ledger Folio No. _____

D.P. ID* _____

Client ID* _____

No. of Shares held _____

(Signature of the Member)

Please affix
Revenue
Stamp of
Re. 1

*Applicable for the members holding Shares in electronic form

NOTE: This form duly completed and signed should be submitted at the Registered Office of the Company not less than 48 hours before the meeting.

(Tear Here)

ROSELABS FINANCE LIMITED

111/952, NIRMAL APARTMENT, SOLA ROAD, NARANPURA, AHMEDABAD- 380 064

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of
the Member
Attending
(IN BLOCK
LETTERS): _____

Full Name of
Proxy
(IN
BLOCK
LETTERS): _____

(To be filled in if Proxy attends instead of the Member)

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company at 111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad- 380064 on Wednesday, the 26th day of September, 2012 at 11: 00 a.m.

Ledger Folio No. _____

D. P. ID* _____

Client ID* _____

No. of Shares Held _____

Member's/ Proxy's Signature

*Applicable for the members holding Shares
in electronic form

(To be signed at the time of
handing over this slip)

Note: Members are requested to bring a copy of the Annual Report to the meeting.