

**AUDITORS' REPORT**

To The members of RORS FINANCE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of RORS FINANCE PRIVATE LIMITED ('the Company') which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss 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 of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 there under.

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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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

Basis for Qualified Opinion

The Company's Intangible assets (Goodwill and Intellectual Property Rights) are carried in the Balance Sheet at Rs. 7,79,535/-. The Management has amortised at the rate of 10% of the cost of Goodwill and Intellectual Property Rights instead of 20%, as compared to the earlier years which constitutes a departure from the Accounting Standard - 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies". The Company's records indicate that had the Management amortised the intangible assets at the rate of 20%, an amount of Rs. 15,59,070/- would have been required to write off the intangible assets down to their net realisable value to zero. Accordingly, Depreciation and amortization expense would have been increased by Rs. 7,79,535/-, and, profit for the year, and shareholders' funds and would have been reduced by the same amount.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



2. As required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet and Statement of Profit and Loss 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 act, read with Rule 7 of the Companies(accounts) Rule, 2014;
- e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of 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 does not have any pending litigations which would impact its financial position;
 - ii) The company did not have any outstanding long-term contract including derivative contracts as at March 31, 2015 for which there were any material foreseeable losses; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the company.

Bangalore,
Date: 20th June 2015



For KUPPA & Associates

Chartered Accountants

Firm Reg. No. 009092S

K. Narasimha
Kuppa Narasimha Setty

Proprietor

Membership No. 209347

**Annexure to the Auditors report of even date to the Members of
RORS FINANCE PRIVATE LIMITED,**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (ii) The Company is a Non-Banking Financial Company ('NBFC') engaged in the business of providing loans and does not maintain inventory. Therefore the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(iii) (a) and (b) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) The company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products/services of the Company.
- (vii) (a) According to the records, information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provided fund, investor education protection fund, employees' state insurance income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty, cess and other materials statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March 2015 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no disputed statutory dues as at 31st March 2015.



- (viii) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately year preceding financial year.
- (ix) According to the information and explanations given to us, the company has not defaulted in repayment of its dues to any financial institutions, bank or debenture holders.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **KUPPA & ASSOCIATES**

Chartered Accountants

Firm Regn. No. 9092S



K. Narasimha Setty
KUPPA NARASIMHA SETTY
Proprietor

Membership No. 209347

Bangalore,
20th June 2015

RORS FINANCE PRIVATE LIMITED
Balance Sheet as at March 31, 2015

(Amount in Rupees)

Particulars	Notes	31-Mar-15	31-Mar-14
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	4,66,04,000	4,66,04,000
Reserves and Surplus	4	1,25,34,640	1,15,12,834
		5,91,38,640	5,81,16,834
Non-Current Liabilities			
Long term borrowings	5	2,44,37,700	1,85,87,000
Long term provisions	7	10,12,974	7,48,573
		2,54,50,674	1,93,35,573
Current Liabilities			
Other current liabilities	8	1,21,33,662	58,18,763
Short-term provisions	9	23,58,997	10,86,706
		1,44,92,659	69,05,469
Total		9,90,81,973	8,43,57,876
II. Assets			
Non-current assets			
Fixed assets	10		
(i) Tangible assets		12,38,603	25,53,147
(ii) Intangible assets		7,79,535	15,59,070
		20,18,138	41,12,217
Deferred Tax Asset	6	13,56,280	6,91,651
Current assets			
Trade receivables	11	8,41,82,711	7,20,55,596
Cash and cash equivalents	12	72,02,879	51,27,182
Other current assets	13	43,21,965	23,71,231
		9,57,07,555	7,95,54,008
Total		9,90,81,973	8,43,57,876
Summary of significant accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our report of even date

For KUPPA & ASSOCIATES

Chartered Accountants

K. Narasimha Setty

KUPPA NARASIMHA SETTY

Proprietor



For and on behalf of Board of Directors of RORS

FINANCE PRIVATE LIMITED

For RORS Finance Private Ltd.

P S Reddy

P. SATHYANARAYANA REDDY

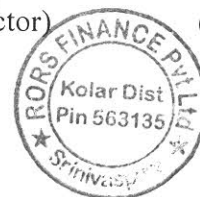
Managing Director

For RORS Finance Private Ltd.

Revathi Reddy

REVATHI REDDY

(Director)



Place : Srinivasapur

Date : 20th June 2015

RORS FINANCE PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

(Amount in Rupees)

Particulars	Notes	31-Mar-15	31-Mar-14
Income			
Revenue from operations	14	2,11,91,892	1,91,85,286
Other Income	15	6,58,173	5,71,998
Total Revenue		2,18,50,065	1,97,57,284
Expenses:			
Employee benefit expense	16	83,65,806	87,78,859
Finance costs	17	45,99,076	29,98,036
Other expenses	18	38,58,614	43,42,789
Depreciation and amortization expense	10	23,02,068	21,79,685
Provisions and write-offs	19	10,57,219	8,04,532
Total Expenses		2,01,82,783	1,91,03,901
Profit/(loss) before tax		16,67,282	6,53,383
Tax expense:			
Current tax expenses for current year		12,36,244	5,94,730
Current tax expenses for Previous year		73,863	32,495
Deferred tax		(6,64,631)	(3,57,656)
Profit/(Loss) from the year from continuing operations		10,21,806	3,83,814
<u>Earning per equity share:</u>			
No. of Equity shares		46,60,400	46,60,400
Basic			
Computed on the basis of profit from continuing operations		0.22	0.08
Summary of significant accounting policies	2.1		

The accompanying notes are integral part of the financial statements

As per our report of even date

For KUPPA & ASSOCIATES
Chartered Accountants

K. Narasimha Setty
KUPPA NARASIMHA SETTY
Proprietor



For and on behalf of Board of Directors of
RORS FINANCE PRIVATE LIMITED

For RORS Finance Private Ltd.

P. S. Reddy For RORS Finance Private Ltd.
P. SATHYANARAYANA REDDY REVATHI REDDY
Managing Director (Director)



Place : Srinivasapur
Date : 20th June 2015

RORS FINANCE PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2015

1. Corporate Information

RORS Finance Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provision of the Companies Act, 1956 ('the Act'). The Company is registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 and has got classified as Non-Banking Financial Company – Micro Finance Institution ('NBFC - MFI'). The Company is principally engaged in lending activities in urban and semi urban, The Company has its registered office at Sreenivasapur, Kolar Dist., Karnataka and having 10 branches in Karnataka and Tamil Nadu.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013 ('the Act'), read with Rule 7 of the companies (accounts) Rule, 2014 and the provisions of the RBI as applicable to a ('NBFC - MFI'). The financial statements have been prepared on an accrual basis and under the historical cost convention except interest on loans which have been classified as non-performing assets and are accounted for on realisation basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of Significant Accounting Policies:

a) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

All fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.



c) Intangible assets

Hitherto Goodwill and Intellectual Property Rights were amortised using the straight-line method over a period of five years at the rate of 20%, during the year management has re-estimated the unamortized Goodwill and Intellectual Property Rights and decided to be amortised over a period of six years and amortised at the rate of 10%.

Due to change of estimation The Company's Intangible assets (Goodwill and Intellectual Property Rights) are carried in the Balance Sheet at Rs. 7,79,535/-. The Company's records indicate that had the Management amortised the intangible assets at the rate of 20%, an amount of Rs. 15,59,070/- would have been required to write off the intangible assets down to their net realisable value to zero. Accordingly, Depreciation and amortization expense would have been increased by Rs. 7,79,535/-, and, profit for the year, and shareholders' funds and would have been reduced by the same amount.

d) Depreciation

i. Depreciation on tangible fixed assets is provided on the written down value method using the rates arrived at based on useful life of the asset prescribed under the schedule II of the companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Interest income on loans given is recognised on accrual basis. Income including interest or any other charges on non-performing asset is recognised only when realised. Any such income recognised before the asset became non-performing and remaining unrealised shall be reversed.

ii. Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

iii. Processing Charges from members are recognised on an upfront basis.

iv. Commission income on insurance agency activities is recognised on accrual basis.

v. All other income is recognised on an accrual basis.

f) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



g) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Leases

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease rentals are charged to the profit and loss on accrual basis.

i) Retirement and other employee benefits

i. Retirement benefits in the form of provident fund are a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident funds.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

iii. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred.

iv. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

j) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

k) Earning per Share:

In determining the earning per share the company considers the net profits after tax. The number of shares used in computing the basic earning per share is the weighted average number of shares outstanding during the period.

l) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements

n) Classification of loan portfolio

All loans and advances are classified as standard, sub-standard, doubtful, and loss assets in accordance with the notification number **DNBS.(PD) CC.No. 395/03.10.38/2014-15** Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 as amended from time to time.

Asset classification	Arrear period
Standard assets	Overdue for Less than 90 days
Sub-standard assets	Overdue for 90 days and above

“Overdue” refers to interest and/ or installment remaining unpaid from the day it became receivable.



o) Provisioning policy for portfolio loans:

Loans are provided for as per the management's estimates, subject to the minimum provision required as per The notification number **DNBS.(PD) CC.No. 395/03.10.38/2014-15** Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011 as amended from time to time.

The provisioning norms adopted by the Company for loans are higher of following:

1. 1% of the outstanding Loan Portfolio
2. 50% of the aggregate loan instalments which are overdue for morethan 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for morethan 180 days

Asset	Loan Portfolio	Provision %	Provision
Total outstanding Loan Portfolio	84182711	1%	841827
a) Instalments overdue for morethan 90 days and less than 180	73426	50%	36713
b) instalments overdue for morethan 180 days	199076	100%	199076
TOTAL (a+b)			235789



RORS FINANCE PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2015

(Amount in Rupees)

Particulars	31-Mar-15	31-Mar-14
Note 3 : Share Capital		
<u>Authorised Share Capital</u>		
<u>Equity Share Capital :</u>		
Class A: Equity Shares (1,500,000 shares @ Rs. 10/-	1,50,00,000	1,50,00,000
Class B: Equity Shares (7,000,000 shares @ Rs. 10/-	7,00,00,000	7,00,00,000
	8,50,00,000	8,50,00,000
<u>Issued, subscribed and paid-up capital</u>		
<u>Equity Share Capital :</u>		
Class A: Equity Shares (10,13,958 shares @ Rs. 10/- each) (previous year (10,13,958 shares @ Rs. 10/- each)		
Each Class A Equity Share shall be entitled to 8 (EIGHT) votes and the voting rights attached to each Class A Equity Shares shall be EIGHT TIMES to the voting rights attached to one Class B Equity	1,01,39,580	1,01,39,580
Class B: Equity Shares (36,46,442 shares @ Rs. 10/- each) (previous year 36,46,442 shares @ Rs. 10/- each)		
Each Class B Equity Share shall be entitled to one vote and the voting rights attached to each Class B Equity shall be equal to ONE EIGHTH PART of voting rights attached to one Class A Equity	3,64,64,420	3,64,64,420
	4,66,04,000	4,66,04,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-Mar-15		31-Mar-14	
	No.s	Amount in Rs.	No.s	Amount in Rs.
Equity shares - Class A				
At the beginning of the period	10,13,958	1,01,39,580	10,13,558	1,01,35,580
Issued during the period	-	-	400	4,000
Outstanding at the end of the period	10,13,958	1,01,39,580	10,13,958	1,01,39,580
Equity shares - Class B				
At the beginning of the period	36,46,442	3,64,64,420	36,46,442	3,64,64,420
Issued during the period	-	-	-	-
Outstanding at the end of the period	36,46,442	3,64,64,420	36,46,442	3,64,64,420
Total Equity Shares - Class A & Class B	46,60,400	4,66,04,000	46,60,400	4,66,04,000

(b) Terms/ rights attached to equity shares

The company has two classes of equity shares having par value of Rs: 10 per share.

Class A: Equity Shares (10,13,958 shares @ Rs. 10/- each) (P.Y. (10,13,958 shares @ Rs. 10/- each) Each Class A Equity Share shall be entitled to 8 (EIGHT) votes and the voting rights attached to each Class A Equity Shares shall be EIGHT TIMES to the voting rights attached to one Class B Equity Share.

Class B: Equity Shares (36,46,442 shares @ Rs. 10/- each) (P.Y. 36,46,442 shares @ Rs. 10/- each) Each Class B Equity Share shall be entitled to one vote and the voting rights attached to each Class B Equity shall be equal to ONE EIGHTH PART of voting rights attached to one Class A Equity Share.

The company declares and pays dividends in Indian rupees.

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



(c) Details of shareholders holding more than 5% shares in the company**Equity Share Capital :**

	31-Mar-15		31-Mar-14	
	No of Shares	Percentage of Holding	No of Shares	Percentage of Holding
Class A: Equity Shares				
M/s. Rores Micro Entrepreneur Development Trust	53,776	5.30	53,776	5.30
Mr. P. Sathyanarayana Reddy	1,71,157	16.88	1,71,157	16.88
Mrs. Revathi Reddy	1,07,860	10.64	1,07,860	10.64
Mr. Bharadwaj S Reddy	1,05,900	10.44	1,05,900	10.44
Mr. Vasudeva Reddy	1,06,775	10.53	1,06,775	10.53
Mrs. Madhavi	1,00,000	9.86	1,00,000	9.86
Total	6,45,468	64.00	6,45,468	64.00

Class B: Equity Shares

M/s. Palar Mutual Benefit Association Trust,	6,75,225	18.52	6,75,225	18.52
M/s. Palar Mutual Benefit Trust, Tirupattur	6,31,747	17.33	6,31,747	17.33
M/s. Rores Micro Entrepreneur Development Trust	23,39,470	64.16	23,39,470	64.16
Total	36,46,442	100	36,46,442	100

Note 4 . Reserves and Surplus**Statutory Reserve**

	31-Mar-15	31-Mar-14
Balance as per last financial statements	21,70,459	20,93,696
Additions during the year	2,04,361	76,763
Closing balance	23,74,820	21,70,459

General Reserve

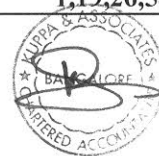
	31-Mar-15	31-Mar-14
Balance as per last financial statements	30,11,285	30,11,285
Appropriations during the year	-	-
Closing balance	30,11,285	30,11,285

Profit and Loss Account

Balance as per last financial statements	63,31,090	60,24,039
Profit / (Loss) during the year	10,21,806	3,83,814
	73,52,896	64,07,853
Less: Transferred to Statutory Reserve Fund for the year	2,04,361	76,763
Closing balance	71,48,535	63,31,090
Total reserves and surplus	1,25,34,640	1,15,12,834

Note 5 : Long term Borrowings**a) Term Loans - Secured**

	Non Current Portion		Current Maturities	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Karnataka State Financial Corporation portfolio loans and personal guarantee of directors and shareholders)	62,00,000	1,21,00,000	60,00,000	55,00,000
Canara Bank (Secured by hypothecation (exclusive charge) of portfolio loans and properties and personal guarantee of shareholders and directors)	1,22,50,700	-	59,26,585	-
	1,84,50,700	1,21,00,000	1,19,26,585	55,00,000



b) Other Loans - Unsecured : From Related parties	Non Current Portion		Current Maturities	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Directors and Shareholders	59,87,000	64,87,000	-	-
	59,87,000	64,87,000	-	-
Total Longterm Borrowings	2,44,37,700	1,85,87,000	1,19,26,585	55,00,000

Note 6: Deferred tax liability (Net)

Particulars	Deferred Tax Liabilities / (Assets) Amount in Rs.		
	Additions		
	31-Mar-15	during the year	31-Mar-14
Differences in depreciation and other differences in block of fixed assets and intangible assets as per tax and books of accounts	(7,83,148)	(3,79,230)	(4,03,919)
Difference due to disallowance of provision against standard assets and non performing assets	(2,60,125)	(2,03,700)	(56,424)
Difference due to disallowance of provision against Bonus, Gratuity and Leave Encashment	(3,13,009)	(81,700)	(2,31,309)
Net Deferred Tax (Asset) / Liability	(13,56,280)	(6,64,631)	(6,91,651)

Note 7 : Long term Provisions

	31-Mar-15	31-Mar-14
Provision for Employee Benefits :		
Provision for Gratuity	7,91,192	5,40,110
Provision for Bonus	-	-
Provision for Leave Encashment	2,21,782	2,08,463
	10,12,974	7,48,573

Note 8: Other Current Liabilities

Statutory Remittances - TDS Payable	14,092	17,730
Statutory Remittances - Provident Fund Payable	1,44,402	1,48,725
Statutory Remittances - Profession Tax Payable	2,450	1,500
Statutory Remittances - Service Tax Payable	-	4,170
Insurance Premium Payable	46,133	1,46,638
Term Loans - Secured by Trade receivables (Current maturities)	1,19,26,585	55,00,000
	1,21,33,662	58,18,763

Note 9: Short term provision

a. Provision for receivables under financing activity:

Provision on Loan Portfolio @ 1%	8,41,827	1,82,602
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b. Provision-others :

Audit Fees Payable	86,706	66,534
Other Expenses Payable	1,94,220	2,42,840
Provision for income tax	12,36,244	5,94,730
	23,58,997	10,86,706



RORS FINANCE PRIVATE LIMITED
Note 10 : Fixed Assets

	Gross Block				Accumulated Depreciation			Net Block	
	1-Apr-14	Additions	Deletions	31-Mar-15	1-Apr-14	Additions	Deletions/ Adjustments	31-Mar-15	31-Mar-14
Fixed assets									
Tangible Assets									
Furniture and fixtures	2,55,796	-	-	2,55,796	1,44,259	34,038	-	77,499	1,11,537
Vehicles	24,70,657	-	-	24,70,657	16,13,116	2,92,680	-	5,64,861	8,57,541
Office Equipments	26,50,546	2,07,988	-	28,58,534	11,73,819	11,28,045	-	5,56,670	14,76,727
Computers & Printers	7,75,738	-	-	7,75,738	6,68,395	3,458	64,312	39,573	1,07,343
Total	61,52,737	2,07,988	-	63,60,725	35,99,590	14,58,221	64,312	12,38,603	25,53,147
Intangible Assets									
Intellectual Property Rights	40,00,000	-	-	40,00,000	32,00,000	4,00,000	-	4,00,000	8,00,000
Goodwill (client creation cost)	37,95,350	-	-	37,95,350	30,36,280	3,79,535	-	3,79,535	7,59,070
Total	77,95,350	-	-	77,95,350	62,36,280	7,79,535	-	7,79,535	15,59,070
Total	1,39,48,087	2,07,988	-	1,41,56,075	98,35,870	22,37,756	64,312	20,18,138	41,12,217
Previous Year	1,39,06,807	59,979	18,699	1,39,48,087	76,67,273	21,79,685	11,088	41,12,217	62,39,534



Note 11 : Trade Receivables under financing activity**Unsecured**

Standard - Outstanding for a period less than 90 Days from the date they are due for payment

31-Mar-15 **31-Mar-14**

8,39,10,209 7,20,30,332

Unsecured

Sub-Standard - Outstanding for a period 90 Days and above from the date they are due for payment

2,72,502 25,264

8,41,82,711 7,20,55,596

Note 12 : Cash and cash equivalents**Balances with Banks**

In Current Accounts

3,38,514 2,13,416

Fixed Deposit

68,20,000 48,20,000

Cash on hand

44,365 93,766

72,02,879 51,27,182

Note 13: Other Current Assets

Advances receivable

6,25,993 2,81,017

Rent & Telephone Deposits

3,24,400 2,24,400

Interest Receivable

9,21,604 4,10,532

TDS Receivable & Incomr Tax Refund due

5,91,349 94,085

Staff Loans

18,58,619 13,61,197

43,21,965 23,71,231



Note 14 : Revenue from Operation

Processing Charges	16,63,120	16,38,731
Interest on Micro Finance loans	1,95,28,772	1,75,46,555
	2,11,91,892	1,91,85,286

Note 15 : Other Income

Interest on Bank Deposits	5,62,648	4,31,073
Interest on Staff Loan	74,793	69,463
Miscellaneous Income	18,674	8,622
Bad debts recovered	-	36,849
Corporate Insurance agency commission	2,058	25,991
	6,58,173	5,71,998

Note 16: Employee Benefit Expenses

Salaries, Allowances and Incentives	61,70,755	64,69,789
Directors remuneration	12,00,000	10,97,000
Staff Recruitment & Training Expenses	91,981	1,42,166
Staff Welfare	6,38,669	7,66,724
Provision for Gratuity & Leave Encashment	2,64,401	3,03,180
	83,65,806	87,78,859

Note 17: Finance Costs

Interest to Banks & Financial Institutions	34,96,867.00	24,30,219
Interest on Shareholders Loans	10,57,588.00	4,96,679
Bank Charges	44,621.36	71,138
	45,99,076	29,98,036

Note 18: Other expenses

	31-Mar-15	31-Mar-14
Travelling & Conveyance	3,86,387	4,49,573
Repair and Maintenance	14,10,555	16,85,195
Printing & Stationery	3,50,902	3,50,235
Miscellaneous Exp.	12,108	3,840
Auditors' remuneration (refer details below)		
As Auditor	95,506	80,450
In other capacity - Attest functions	3,371	10,112
Rent Rates & Taxes	9,55,948	9,73,408
Fee for Company law compliance	38,600	9,500
Professional Charges	1,85,954	3,08,262
Director Sitting Fee	20,000	25,000
Postage & Telephone	3,99,283	4,46,603
Loss on sale of Fixed Assets	-	611
	38,58,614	43,42,789

Note 19: Provisions and write-offs:

Portfolio loans and other balances written off	3,97,994	7,78,622
Less: Amount released from Earlier years provisions	1,82,602	1,56,692
Net Portfolio loans written off	2,15,392	6,21,930
Provision for receivables under financing activity	8,41,827	1,82,602
	10,57,219	8,04,532



Note 20: Additional Information to the financial statements:

20.1 In the case of loans advanced by the Company, the Company has classified such loans as standard, Sub standard and doubtful assets as per the guidelines of the Reserve Bank of India.

	Loan Outstanding (Without provisioning)						Provision			
	31 st March 2015			31 st March 2014			31 st March 2014	Written back during the year	During the Year	31 st March 2015
Assets	Accounts	Amount	%	Accounts	Amount	%	Amount	Amount	Amount	Amount
Standard	6820	83910209	99.68	6247	72030332	99.96	180076	180076	839102	839102
Sub-Standard	21	272502	0.32	3	25264	0.04	2526	2526	2725	2725
Doubtful	-	-	0.00	-	-	0.00	-	-	-	-
Loss Asset	-	-	0.00	-	-	0.00	-	-	-	-
Sub-Total	6841	84182711	100	6250	72055596	100	182602	182602	841827	841827

Overdue loans of Rs. 3,97,994/- (P.Y Rs. 7,78,622/-) from 67 borrowers (P.Y 69), in the opinion of the management the amounts are not recoverable and were written off during the year.

20.1 The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. There have been no reporting cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

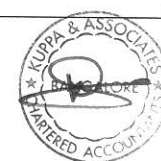
20.2 Foreign Exchange Earnings & Outflow:

Sl. No	Particulars	31.03.2015 Amount (Rs.)	31.03.2014 Amount (Rs.)
1	Earnings	Nil	Nil
2	Outflow	Nil	Nil

20.3 Related party Disclosures

Names of related parties and related party relationship

Enterprises owned or significantly influenced by key management personnel or their relatives:	<ol style="list-style-type: none"> 1. Rores Micro Entrepreneur Development Trust 2. Reorganisation of Rural Economy and Society
Key Management Personnel and their relatives:	<ol style="list-style-type: none"> 1. P. Sathyanarayana Reddy 2. Revathi Reddy 3. Mr. Bharadwaj S Reddy 4. Mr. Vasudeva Reddy 5. Mrs. Madhavi 6. M. Sreenivasulu 7. Mr. Nithyananda Reddy 8. Mr. Vidya Sagar



Related party transactions

I. Sale/ purchase of goods and/or services:

Name	Year Ended	Nature	Amount in Rs.
Reorganisation of Rural Economy and Society	31 st March 2015	Rent Paid	2,40,000/-
	31 st March 2014		2,40,000/-
M. Sreenivasulu	31 st March 2015	Rent Paid	1,44,000/-
	31 st March 2014		NIL

II. Loans taken and repayment thereof:

Name	Year Ended	Loans Accepted	Repayment	Amount owed to the related parties
Rores Micro Entrepreneur Development Trust (Payable on Taken over of Micro Finance Operations)	31 st March 2015	Nil	Nil	Nil
	31 st March 2014	Nil	Nil	Nil
	31 st March 2015	Nil	Nil	Nil
Interest on Loan	31 st March 2015	Nil	11,49,607	Nil
	31 st March 2014	Nil	11,49,607	Nil
P. Sathyanarayana Reddy	31 st March 2015	Nil	3,50,000	6,37,000
	31 st March 2014	5,92,000	10,00,000	9,87,000
	31 st March 2015	1,46,132	1,63,737	Nil
Interest on Loan paid	31 st March 2015	92,803	75,198	17,605
	31 st March 2014	92,803	75,198	17,605
Revathi Reddy	31 st March 2015	4,00,000	Nil	8,50,000
	31 st March 2014	5,00,000	2,00,000	4,50,000
	31 st March 2015	1,17,952	1,26,755	Nil
Interest on Loan	31 st March 2015	34,893	26,090	8,803
	31 st March 2014	34,893	26,090	8,803
Mr. Bharadwaj S Reddy	31 st March 2015	2,00,000	Nil	4,50,000
	31 st March 2014	2,50,000	3,00,000	2,50,000
	31 st March 2015	60,757	60,757	Nil
Interest on Loan	31 st March 2015	12,090	12,090	Nil
	31 st March 2014	12,090	12,090	Nil
Mr. Vasudeva Reddy	31 st March 2015	Nil	Nil	3,00,000
	31 st March 2014	Nil	Nil	3,00,000
	31 st March 2015	51,000	68,605	Nil
Interest on Loan	31 st March 2015	47,999	30,394	17,605
	31 st March 2014	47,999	30,394	17,605
Mrs. Madhavi	31 st March 2015	Nil	2,00,000	2,00,000
	31 st March 2014	2,00,000	8,00,000	4,00,000
	31 st March 2015	34,280	46,017	Nil
Interest on Loan	31 st March 2015	39,124	27,837	11,737
	31 st March 2014	39,124	27,837	11,737
Mr. Nithyananda Reddy	31 st March 2015	Nil	Nil	2,00,000
	31 st March 2014	Nil	Nil	2,00,000
	31 st March 2015	34,000	34,000	Nil
Interest on Loan	31 st March 2015	32,000	32,000	Nil
	31 st March 2014	32,000	32,000	Nil
Mr. Vidya Sagar	31 st March 2015	Nil	2,50,000	4,00,000
	31 st March 2014	10,00,000	9,00,000	6,50,000
	31 st March 2015	90,246	90,246	Nil
Interest on Loan	31 st March 2015	61,134	61,134	Nil
	31 st March 2014	61,134	61,134	Nil



III. Remuneration to Key Management Personnel

Transactions during the year	31 st March 2015	31 st March 2014
P. Sathyanarayana Reddy, Managing Director	7,20,000	6,65,000
Revathi Reddy, Director	4,80,000	4,32,000

20.4 Earning Per Share:

Particulars	31.03.2015	31.03.2014
Net Profit after Tax	10,21,806	3,83,814
Weighted Average No. of Shares outstanding for computing earning Per share	46,60,400	46,60,400
Basic & Diluted Earnings per share	Rs. 0.22	Rs. 0.08

20.5 Contingent liability not provided for: NIL

20.6 The Company has no exposure to the real estate sector directly or indirectly in the current and previous year

20.7 Claims against the company not acknowledged as debts: Nil

For RORS FINANCE PRIVATE LIMITED

For RORS Finance Private Ltd.

P. SATHYANARAYANA REDDY
Managing Director



Srinivasapur,
20th June 2015

As per our report of even date
For KUPPA & ASSOCIATES
Chartered Accountants

REVATHI REDDY
Director



KUPPA NARASIMHA SETTY
Proprietor