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# RORS FINANCE (P) LTD.

## ANNUAL REPORT

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FY 2015-16







**A. JOHN MORIS & CO.,**

**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

**Independent Auditor's Opinion**

To The Members of

**"M/s. RORS FINANCE PRIVATE LIMITED"**

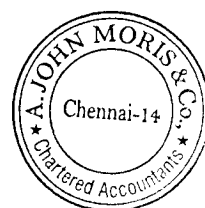
**Report on the Financial Statements**

1. We have audited the accompanying financial statements of **"M/s. RORS FINANCE PRIVATE LIMITED"** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. 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 and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of 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.



No. 5, Lakshmipuram 1st Street, Deivasigamani Road, (Near Music Academy), Royapettah, Chennai - 600 014.

**Website:** www.ajohnmoris.com, **Tel:** +91-44-2811 6003/4 / 7667034935 **Fax:** 044 2811 1712 **E-mail:** info@ajohnmoris.com

**Branches:** Nagercoil, New Delhi, Bengaluru, Mumbai, Trichirapalli, Tiruppur, Kochi, Kumbakonam, Madurai, Hyderabad, Jeypore (Odisha)



### **Auditors' Responsibility**

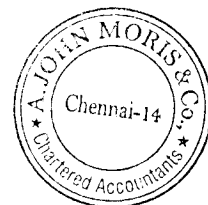
3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depends 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 the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate to the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion:**

6. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016; and





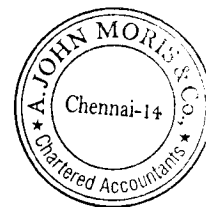
# A. JOHN MORIS & CO.,

CHARTERED ACCOUNTANTS

- ii. In the case of the Statement of Profit and Loss, of the profits of the Company for the year ended 31<sup>st</sup> March, 2016; and
- iii. In the case of the Cash flow statement, of the cash flows of the Company for the year ended 31<sup>st</sup> March, 2016;

## Report on Other Legal and Regulatory Requirements

- 7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 8. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



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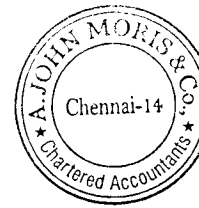
g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have outstanding long term contract including derivative contracts as at March 31, 2016 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.

For M/s. A. John Moris & Co.,

Chartered Accountants

FRN No: 007220 S



(G. Kumar)

Partner

M.No: 023082

Place: Chennai

Date: 11/06/16

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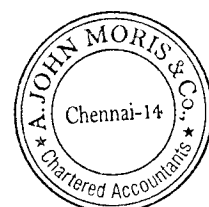


**A. JOHN MORIS & CO.,**

**CHARTERED ACCOUNTANTS**

**ANNEXURE-'A' TO THE AUDITORS' REPORT**  
**REPORT OF THE AUDITOR TO THE MEMBERS IN ACCORDANCE WITH THE**  
**COMPANIES (AUDITORS' REPORT) ORDER 2016**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable looking to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.  
  
(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any title deeds of immovable properties.
2. Being an NBFC Company, the matters in connection with verification, reporting and all other related matters on inventory are not applicable.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) relating to receipt of principal amount and interest, and iii(b) relating to overdue amount, of the order are not applicable to the Company.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has neither granted any loans to the Directors nor any investments were made by the Company. Hence, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
5. During the year the Company has not accepted any deposits from non-members. As such the compliance with the directives issued by the Reserve



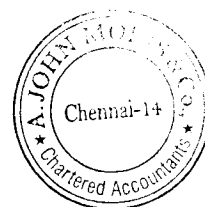


# A. JOHN MORIS & CO.,

CHARTERED ACCOUNTANTS

Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and rules framed there under are not applicable.

6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the activities of the Company.
7. (a) According to the records, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Funds, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other applicable statutory dues during the year.  
  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax and service tax, which have not been deposited on account of any disputes.  
  
(c) According to the information and explanations given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were obtained by the Company was applied for the purpose it was raised for.
10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud/misappropriation on or by the Company has been noticed or reported during the year.



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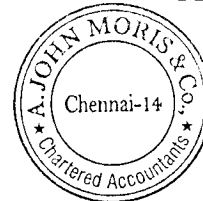


# A. JOHN MORIS & CO.,

CHARTERED ACCOUNTANTS

11. According to the information and explanations given to us and based on our examination of the records of the Company, matters relating to limits on managerial remuneration is not applicable, since the Company is a private limited company and is exempted from the provisions of section 197.
12. The Company is not a chit fund or a Nidhi /mutual benefit fund/society. Accordingly, this paragraph of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of its directors as is mentioned in Section 192 of the Act.
16. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M/s. A. John Moris & Co.,  
Chartered Accountants  
FRN No: 007220 S



  
(G. Kumar)  
Partner

M.No.023082

Place: Chennai

Date: 11/06/16





**A. JOHN MORIS & CO.,**

**CHARTERED ACCOUNTANTS**

**ANNEXURE –'B' TO THE AUDITORS' REPORT**  
**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF**  
**SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of M/s. RORS FINANCE PRIVATE LIMITED ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

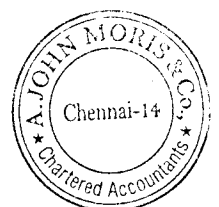
**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that





# A. JOHN MORIS & CO.,

## CHARTERED ACCOUNTANTS

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

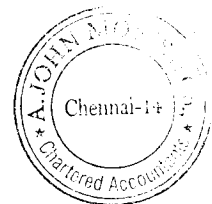
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



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**A. JOHN MORIS & CO.,**

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- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

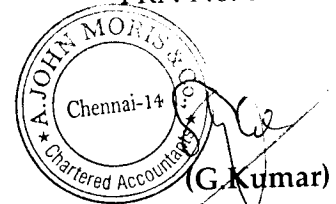
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

**Opinion**

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

For M/s. A. John Moris & Co.,  
Chartered Accountants

FRN No: 007220 S



(G. Kumar)

Partner

M.No: 023082

Place: Chennai

Date: 11/06/16

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**RORS FINANCE PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

(Amount in ₹)

Particulars	Note	March 31, 2016		March 31, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	3	466,04,000		466,04,000	
(b) Reserves and Surplus	4	144,39,311		125,34,640	
			6,10,43,311		5,91,38,640
<b>(2) Share Application Money Pending Allotment</b>					
<b>(3) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	5	302,42,235		244,37,700	
(b) Long Term Provisions	6	35,886	302,78,120	10,12,974	254,50,674
<b>(4) Current Liabilities</b>					
(a) Other Current Liabilities	7	280,03,443		124,14,588	
(b) Short-term Provisions	8	21,21,391	301,24,835	20,78,071	144,92,659
<b>TOTAL</b>			1214,46,266		990,81,973
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	9A.	6,49,731		12,38,603	
(ii) Intangible Assets	9B.	-		7,79,535	
(b) Deferred Tax Assets (Net)	22	12,49,667		13,56,280	
(c) Long-Term Loans and Advances	10	32,13,170		3,39,784	
(d) Other Non-Current Assets	11	35,88,552	87,01,121	-	37,14,202
<b>(2) Current Assets</b>					
(a) Trade Receivables under Financing activity	12	983,19,916		841,82,711	
(b) Cash and cash equivalents	13	108,86,746		72,02,879	
(c) Other Current Assets	14	35,38,483	1127,45,145	39,82,181	953,67,771
<b>TOTAL</b>			1214,46,266		990,81,973

Significant Accounting policies and Notes to the Accounts - 1 to 24

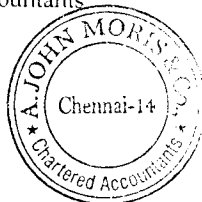
As per our report of even date attached

For A. JOHN MORIS & Co.,

Chartered Accountants

FRN : 007220S

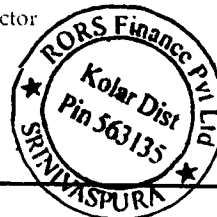
G. KUMAR  
Senior Partner  
M. No.: 023082



For and on behalf of the Board of Directors

P. SATHYANARAYANA REDDY  
Managing Director

REVATHI REDDY  
Director



Place : Srinivasapur  
Date : June 11, 2016



**RORS FINANCE PRIVATE LIMITED**

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

**(Amount in ₹)**

Particulars	Note	For the Year Ended March 31, 2016		For the Year Ended March 31, 2015	
<b><u>Income:</u></b>					
Revenue from Operations	15	229,05,254		211,91,892	
Other Income	16	8,10,042		6,58,173	
<b>Total Revenue (A)</b>			<b>237,15,296</b>		<b>218,50,065</b>
<b><u>Expenses:</u></b>					
Employee Benefits	17	84,93,866		82,73,825	
Finance Costs	18	51,69,486		45,54,455	
Administrative and Other Expenses	19	46,57,743		39,95,216	
Depreciation and Amortisation	9	12,93,306		23,02,068	
Writeoff of Receivables under Financing Activity	20.7	10,96,347			
Provision for Receivables under Financing Activity	20.7	1,77,258		10,57,219	
<b>Total Expenses (B)</b>			<b>208,88,006</b>		<b>201,82,783</b>
<b>Profit before Exceptional, Extraordinary and Prior Period Items (A - B)</b>			<b>28,27,290</b>		<b>16,67,282</b>
Prior Period Items	20.11		19,518		-
<b>Profit Before Tax</b>			<b>28,07,772</b>		<b>16,67,282</b>
<b>Tax Expense:</b>					
(1) Current Tax expenses for current year			7,96,488		12,36,244
(2) Current Tax expenses for previous year			-		73,863
(3) Deferred Tax			1,06,613		(6,64,631)
<b>Profit after Tax</b>			<b>19,04,671</b>		<b>10,21,806</b>
<b>Earnings per Share:</b>					
(i) Basic	21		0.41		0.22
(ii) Diluted	21		0.41		0.22


Significant Accounting policies and Notes to the Accounts - 1 to 24

As per our report of even date attached

For A. JOHN MORIS & Co.,

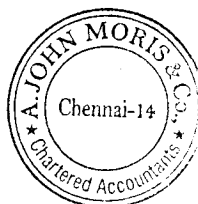
Chartered Accountants

FRN.: 007220S



  
G. KEMAR

Senior Partner

M. No.: 023082

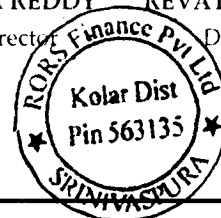


For and on behalf of the Board of Directors

P. SATHYANARAYANA REDDY REVATHI REDDY

Managing Director Director



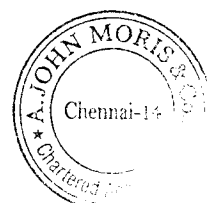
Place : Srinivasapur

Date : June 11, 2016

**RORS FINANCE PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in ₹)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>A. Cash flow from operating activities</b>				
Net Profit before extraordinary items and tax	28,27,290		16,67,282	
<u>Adjustments for:</u>				
Depreciation and amortisation	12,93,306		23,02,068	
Interest income on FD	(7,40,860)		(5,62,648)	
Profit on sale of asset	(1,83,715)		-	
Provision for doubtful trade and other receivables - loans and advances	1,77,258		6,59,225	
Operating profit before working capital changes		33,73,279		40,65,927
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Trade receivables under Financing Activity	(177,25,757)		(121,27,115)	
Long-term loans and advances	(28,73,386)		(1,00,000)	
Other current assets	(1,32,267)		(19,09,917)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Long-term provisions	(10,12,974)		2,64,401	
Other current liabilities	(16,539)		63,14,899	
Short-term provisions	3,41,704		(28,448)	
Cash generated from operations		(214,19,219)		(75,86,180)
Net income tax (paid) / refunds		(180,45,939)		(35,20,253)
		(6,79,797)		(6,09,410)
<b>Net cash flow used in operating activities (A)</b>		<b>(187,25,736)</b>		<b>(41,29,663)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets	2,58,815		(2,07,988)	
<b>Interest received</b>				
- Bank on FD	7,40,860		5,62,648	
		9,99,675		3,54,660
<b>Net cash flow from investing activities (B)</b>		<b>9,99,675</b>		<b>3,54,660</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-		-	
Proceeds from long-term borrowings	214,09,929		58,50,700	
		214,09,929		58,50,700
<b>Net cash flow from financing activities (C)</b>		<b>214,09,929</b>		<b>58,50,700</b>



**RORS FINANCE PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in ₹)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Net increase in Cash and cash equivalents (A+B+C)		36,83,867		20,75,697
Cash and cash equivalents at the beginning of the year		72,02,879		51,27,182
Cash and cash equivalents at the end of the year		108,86,746		72,02,879
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 13)		108,86,746		72,02,879
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i>		103,20,000		68,20,000
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> )		5,66,746		3,82,879
Cash and cash equivalents at the end of the year *		5,66,746		3,82,879
* Comprises:				
(a) Cash on hand		90,225		44,365
(b) Balances with banks		4,76,521		3,38,514
		5,66,746		3,82,879

**Notes:**

(i) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

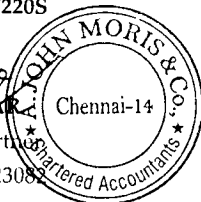
In terms of our report attached.

For A. JOHN MORIS & Co.,

Chartered Accountants

FRN.: 007220S

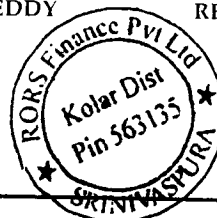
G. KUMAR  
Senior Partner  
M. No.: 023082



For and on behalf of the Board of Directors

P S Reddy  
P. SATHYANARAYANA REDDY  
Managing Director

Revathi Reddy  
REVATHI REDDY  
Director



Place : Srinivasapur

Date : June 11, 2016

**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 1**

**CORPORATE INFORMATION**

M/s. RORS Finance Pvt Ltd., was registered with the Bangalore Registrar of Companies as a Private Limited Company on 11th December 1987 vide Registration no. U17124KA1987PTC008797. The Company is holding a valid Certificate of Registration (COR) issued by Reserve Bank of India as a Non-Banking Financial Company without accepting public deposits vide certificate No. **B - 02.00146** dated 07th November 2013.

The registered office of the company is located at No. 65, Ramakrishna Extension, Srinivasapura, Kolar Dist., Karnataka.

The Principal activities of the Company is to engage in microfinance activities with the ultimate objective of benefiting the poor and downtrodden for enhancement of their livelihoods in a financially viable manner. The Company generally provides small value collateral free loans upto Rs. 30,000/- in the first cycle with a tenor of 12 months and upto Rs. 50,000/- in the subsequent cycles with a tenor of 24 months with weekly, fortnightly or monthly repayment as per the choice of the borrower.

The Operations of the Company is concentrated within the states of Karnataka and Tamilnadu.

**NOTE 2**

**SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Accounting and Preparation of Financial statements**

The financial statements of the Company have been prepared in accordance with the 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 the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 2013. The Company follows the directions prescribed by the Reserve Bank of India (RBI) for Non Banking-Financial Companies.

**2.2 Use of Estimates**

The presentation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent assets and liabilities) at the end of the year and the reported revenues and expenses during the year. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known/material.

**2.3 Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.4 Cash Flow Statement**

Cash flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

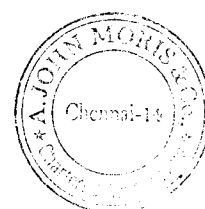
**2.5 Fixed Assets**

Fixed assets are stated at cost net of depreciation and impairment losses. The cost of an asset comprises of its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use.

**2.6 Depreciation and Amortisation**

(i) Depreciation has been provided on the written down value method as per the useful life prescribed in Part "C" of Schedule II to the Companies Act, 2013. Intangible assets are amortised over their expected useful life.

(ii) Depreciation on additions is charged proportionately from the date of acquisition/installation.





**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2.7 Investments**

Investments are classified into current and Long-term investments. Long-term investments are stated at cost and 'provision for diminution in value, other than temporary, is considered wherever necessary.

Current investments are valued at lower of cost and market value/net asset value.

**2.8 Receivables Under Financing Activity**

Receivables under Financing activity include Micro finance loans. Loans are classified into 'Performing and Non-Performing' assets in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and NBFC-MFI directions (as applicable) issued by the Reserve Bank of India as amended from time to time

**2.9 Revenue Recognition**

**Revenues from Interest on loans** financed by the company is recognised on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

**Revenues from loan documentation and meeting charges** are recognized as income on cash basis.

**Processing fees** at the rates as permitted by the RBI is charged on the Microfinance loans disbursed and the same is recognised as and when collected at the time of loan disbursement.

**2.10 Other Income**

Revenue from Interest income on fixed deposits with banks is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognised as and when the right to receive is established.

All other incomes are recognized on accrual basis.

**2.11 Employee Benefits**

a) Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits.

**b) Defined contribution plans**

Company's contributions paid/payable during the year to Provident Fund, Pension fund and employee state insurance scheme are recognised in the statement of Profit and Loss based on amount of contribution required to be made and when services are rendered by the employees.

Gratuity liability 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 to the Balance Sheet.

Accumulated leave expected to be carried forward beyond twelve months are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gains/ losses are immediately taken to the Statement of Profit and loss and are not deferred.

**2.12 Impairment of assets**

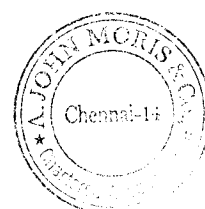
The carrying amount of assets are reviewed at each balance sheet date for any indication of impairment based on internal/ external factors.

An impairment loss is recognized 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 its value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

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

**2.13 Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to accounts.



**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2.14 Borrowing Costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**2.15 Leases**

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating lease and recorded as expense on accrual basis.

**2.16 Segment Reporting**

The Company is primarily engaged in the business of Micro financing. Further, the Company does not have any other segment of business. Hence there are no separate reportable segments as per AS - 17 "Segmental Reporting".

**2.17 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**2.18 Taxes on income**

**Current tax** is the amount of tax payable on the taxable income for the year after taking into consideration the benefits/disallowances admissible under the provisions of the Income Tax Act, 1961.

**Minimum Alternate Tax** paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

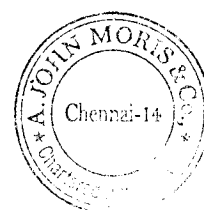
**Deferred tax** is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.

**Deferred tax assets** are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

**Deferred tax assets and liabilities** are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**2.19 Operating Cycle**

Based on the nature of activities of the company and normal time between acquisition of assets and their realisation of cash and cash equivalent, the company has determined operating cycle as 12 months for the purpose of classification of its assets and liabilities as non-current and current.



**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 3**

**SHARE CAPITAL**

(Amount in ₹)

Particulars	March 31, 2016		March 31, 2015	
	Number	₹	Number	₹
<b>(i) Authorised Share Capital</b>				
Class A Equity shares of ₹ 10 each	15,00,000	150,00,000	15,00,000	150,00,000
Class B Equity shares of ₹ 10 each	70,00,000	700,00,000	70,00,000	700,00,000
	<b>85,00,000</b>	<b>850,00,000</b>	<b>85,00,000</b>	<b>850,00,000</b>
<b>(ii) Issued, Subscribed and Fully Paid up capital</b>				
Class A Equity shares of ₹ 10 each	10,13,958	101,39,580	10,13,958	101,39,580
Class B Equity shares of ₹ 10 each	36,46,442	364,64,420	36,46,442	364,64,420
<b>Total</b>	<b>46,60,400</b>	<b>466,04,000</b>	<b>46,60,400</b>	<b>466,04,000</b>

**(a) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the reporting period:**

Particulars	March 31, 2016		March 31, 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning of the period	46,60,400	466,04,000	46,60,400	466,04,000
Add: Shares Issued during the period	-	-	-	-
Less: Shares bought back during the period	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>46,60,400</b>	<b>466,04,000</b>	<b>46,60,400</b>	<b>466,04,000</b>

**Notes:**

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

**Class A Equity shares:** Each Class A equity share shall be entitled to 8 (EIGHT) votes and the voting rights issued to each Class A Equity share shall be EIGHT TIMES to the voting rights attached to one Class B Equity share.

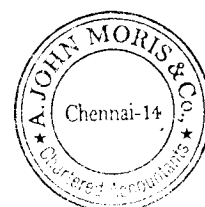
**Class B Equity shares:** Each Class B equity share shall be entitled to 1 (ONE) vote and the voting rights issued to each Class B Equity share shall be ONE EIGHTH PART of the voting rights attached to one Class A Equity share.

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 the 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.

**(b) Details of shareholders holding more than 5% Shares in the Company**

Class of Shares/Name of the Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares Held	% holding in that class of shares	No. of Shares Held	% holding in that class of shares
<b>Class A Equity Shares</b>				
1) Mr. P. Sathyanarayana Reddy	1,71,157	17%	1,71,157	17%
2) Mrs. Revathi Reddy	1,07,860	11%	1,07,860	11%
3) Mr. Bharadwaj. S. Reddy	1,05,900	10%	1,05,900	10%
4) Mr. Vasudeva Reddy	1,06,775	11%	1,06,775	11%
5) Mrs. Madhavi	1,00,000	10%	1,00,000	10%
6) M/s. Rores Micro Entrepreneur Development Trust	53,776	5%	53,776	5%
<b>Class B Equity Shares</b>				
1) M/s. Rores Micro Entrepreneur Development Trust	33,60,942	92.17%	23,39,470	64.16%



**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 4**

**RESERVES AND SURPLUS**

Particulars	March 31, 2016	March 31, 2015
<b>(a) Statutory reserves (Refer Note (i) below)</b>		
Opening Balance	23,74,820	21,70,459
Add : Transferred during the year	3,80,934	2,04,361
Closing balance	27,55,754	23,74,820
<b>(b) General reserve</b>		
Opening balance	30,11,285	30,11,285
Add: Additions / transfers during the year	-	-
Closing balance	30,11,285	30,11,285
<b>(c) Surplus in Statement of Profit and Loss</b>		
Opening balance	71,48,535	63,31,090
Add: Profit for the year	19,04,671	10,21,806
Less: Transferred to Statutory Reserves	(3,80,934)	(2,04,361)
Closing balance	86,72,272	71,48,535
<b>Closing Balance</b>	<b>144,39,311</b>	<b>125,34,640</b>
<b>Note:</b>		
(i) The Company has transferred 20% of Profit after tax to the Statutory Reserve in accordance with the provisions of section 45-IC of Reserve Bank of India Act, 1934		

**NOTE 5**

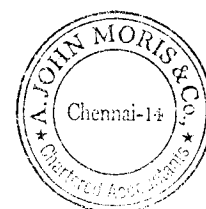
**LONG TERM BORROWINGS**

Particulars	March 31, 2016	March 31, 2015
<b>Secured</b>		
<b>(a) Term Loans (Refer Note 5.1 &amp; 5.3 below)</b>		
(i) From Banks	280,42,235	122,50,700
(ii) From Other parties	2,00,000	62,00,000
<b>Unsecured</b>		
<b>(b) Loan from shareholders (Refer Note 5.2 below)</b>	20,00,000	59,87,000
<b>Total</b>	<b>302,42,235</b>	<b>244,37,700</b>

**NOTE 6**

**LONG TERM PROVISIONS**

Particulars	March 31, 2016	March 31, 2015
<b>(a) Provision - Receivables under financing activities</b>		
Contingent Provisions against receivables	35,886	-
<b>(b) Provision - Employee benefits</b>		
(i) Provision for Gratuity	-	7,91,192
(ii) Provision for leave encashment	-	2,21,782
<b>Total</b>	<b>35,886</b>	<b>10,12,974</b>





Note 5 (Cont.):

(i) Details of terms of repayment for the long-term borrowings

Particulars	Terms of repayment and security	Remaining Installments due	March 31, 2016		March 31, 2015	
			Current	Non-Current	Current	Non-Current
<b>Term loans from banks:</b>			₹	₹	₹	₹
Canara Bank	Rate of Interest - Base Rate + 2.50%	36 Monthly Installments	71,91,070	46,33,144	59,26,585	122,50,700
Union bank of India	Rate of Interest - Base Rate + 3.50%	24 Monthly Installments	75,00,000	125,00,000	-	-
State Bank of India	Rate of Interest - Base Rate + 3.50%	33 Quarterly Installments	40,90,909	109,09,091	-	-
<b>Total - Term loans from banks</b>			<b>187,81,979</b>	<b>280,42,235</b>	<b>59,26,585</b>	<b>122,50,700</b>

**Term loans from others:**

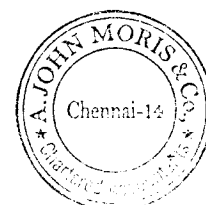
Karnataka State Finance Corporation	Rate of Interest - 14%	48 Monthly Installments	60,00,000	2,00,000	60,00,000	62,00,000
<b>Total - Term loans from other parties</b>			<b>60,00,000</b>	<b>2,00,000</b>	<b>60,00,000</b>	<b>62,00,000</b>

(ii) Details of borrowings from related parties by the Company:

Particulars	Terms and conditions	March 31, 2016		March 31, 2015	
		Current	Non-Current	Current	Non-Current
		₹	₹	₹	₹
Director's and shareholders	Interest of 16% per annum	12,50,000	7,50,000	-	59,87,000
Director's and shareholders	Interest of 14% per annum	15,00,000	12,50,000	-	-
<b>Total</b>		<b>27,50,000</b>	<b>20,00,000</b>	<b>-</b>	<b>59,87,000</b>

(iii) Details of long-term borrowings guaranteed by some of the directors or others:

Particulars	March 31, 2016	March 31, 2015
	₹	₹
<b>Term loans from banks</b>		
Canara Bank	118,24,214	181,77,285
Union Bank of India	200,00,000	-
State Bank of India	150,00,000	-
	<b>468,24,214</b>	<b>181,77,285</b>
<b>Term loans from other parties</b>		
Karnataka State Finance Corporation	62,00,000	122,00,000
<b>Total</b>	<b>530,24,214</b>	<b>303,77,285</b>



**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 7**

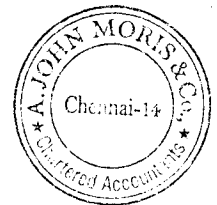
**OTHER CURRENT LIABILITIES**

Particulars	March 31, 2016	March 31, 2015
<b>(a) Current Maturities of Long Term Debt (Refer Note 5.1 to 5.3)</b>		
(i) Banks	187,81,979	59,26,585
(ii) Others	87,50,000	60,00,000
<b>(b) Interest Accrued but not due on Borrowings</b>	2,08,611	-
<b>(c) Other Payables</b>		
(i) Statutory Remittances*	22,320	1,60,944
(ii) Others		
- Insurance Premium Payable	78,351	46,133
- Other Expenses payable	1,62,182	2,80,926
<b>Total</b>	<b>280,03,443</b>	<b>124,14,588</b>
* Statutory Remittances include TDS, Professional tax and Service Tax.		

**NOTE 8**

**SHORT TERM PROVISIONS**

Particulars	March 31, 2016	March 31, 2015
<b>(a) Provision - Others:</b>		
(i) Provision for income tax	7,96,488	12,36,244
<b>(b) Provision - Receivables under financing activities</b>		
(i) Contingent provisions against receivables	9,83,199	8,41,827
<b>(c) Provision - Employee benefits</b>		
(i) Provision for Gratuity	2,52,696	-
(ii) Provision for leave encashment	89,008	-
<b>Total</b>	<b>21,21,391</b>	<b>20,78,071</b>



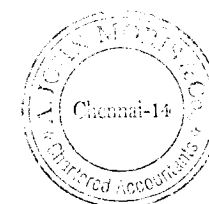
**RORS FINANCE PRIVATE LIMITED**

**NOTE 9**

**FIXED ASSETS AS AT MARCH 31, 2016**

(Amount in ₹)

SI. No.	Particulars	Gross Block				Depreciation				Net Block	
		Cost as at 01-04-2015	Additions	Deductions	Cost as at 31-03-2016	Upto 31-03-2015	Depreciation for the Year	On Disposal	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
<b><u>A. Tangible Assets</u></b>											
1	Furniture and Fixtures	2,55,796	-	-	2,55,796	1,78,297	23,619	-	2,01,916	53,880	77,499
2	Vehicles	24,70,657	-	7,92,053	16,78,604	19,05,797	1,68,703	6,33,769	14,40,731	2,37,873	5,64,861
3	Office Equipments	28,58,534	79,602	-	29,38,136	23,01,864	3,19,186	-	26,21,050	3,17,086	5,56,670
4	Computers and Printers	7,75,738	3,582	-	7,79,320	7,36,165	2,263	-	7,38,428	40,892	39,573
<b>Total Tangible Assets (A)</b>		<b>63,60,725</b>	<b>83,184</b>	<b>7,92,053</b>	<b>56,51,856</b>	<b>51,22,123</b>	<b>5,13,771</b>	<b>6,33,769</b>	<b>50,02,125</b>	<b>6,49,731</b>	<b>12,38,603</b>
<b><u>B. Intangible Assets</u></b>											
1	Intellectual Property	40,00,000	-	-	40,00,000	36,00,000	4,00,000	-	40,00,000	-	4,00,000
2	Goodwill	37,95,350	-	-	37,95,350	34,15,815	3,79,535	-	37,95,350	-	3,79,535
<b>Total Intangible Assets (B)</b>		<b>77,95,350</b>	<b>-</b>	<b>-</b>	<b>77,95,350</b>	<b>70,15,815</b>	<b>7,79,535</b>	<b>-</b>	<b>77,95,350</b>	<b>-</b>	<b>7,79,535</b>
<b>Total Assets ( A + B )</b>		<b>141,56,075</b>	<b>83,184</b>	<b>7,92,053</b>	<b>134,47,206</b>	<b>121,37,938</b>	<b>12,93,306</b>	<b>6,33,769</b>	<b>127,97,475</b>	<b>6,49,731</b>	<b>20,18,138</b>
<b>Previous Year</b>		<b>139,48,087</b>	<b>2,07,988</b>	<b>-</b>	<b>141,56,075</b>	<b>98,35,870</b>	<b>23,02,068</b>	<b>-</b>	<b>121,37,938</b>	<b>20,18,138</b>	<b>41,12,217</b>



RORS FINANCE PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**NOTE 10**

**LONG TERM LOANS AND ADVANCES**

Particulars	March 31, 2016	March 31, 2015
Unsecured, considered good		
(i) Advance for purchase of property	18,00,000	-
(ii) Security Deposits	3,24,100	3,24,400
(iii) Advance tax for FY 2015-16	10,00,000	-
(iv) TDS receivable for FY 2015-16	73,686	-
(v) TDS receivable for earlier financial years	15,384	15,384
<b>Total</b>	<b>32,13,170</b>	<b>3,39,784</b>

**NOTE 11**

**OTHER NON-CURRENT ASSETS**

Particulars	March 31, 2016	March 31, 2015
Unsecured, considered good		
(a) Receivables under Financing Activity - Long Term	35,88,552	-
<b>Total</b>	<b>35,88,552</b>	<b>-</b>

**NOTE 12**

**TRADE RECEIVABLES UNDER FINANCING ACTIVITY**

Particulars	March 31, 2016	March 31, 2015
Unsecured, considered good		
Microfinance Loan	983,19,916	841,82,711
<b>Total</b>	<b>983,19,916</b>	<b>841,82,711</b>

**NOTE 13**

**CASH AND CASH EQUIVALENTS**

Particulars	March 31, 2016	March 31, 2015
(a) Cash and Cash Equivalents		
(i) Cash on Hand	90,225	44,365
(ii) Balances with Bank - in current accounts	4,76,521	3,38,514
(b) Other Bank Balances		
In earmarked accounts (balance held as margin money or security against borrowings) (Refer Note 13.1)	103,20,000	68,20,000
<b>Total</b>	<b>108,86,746</b>	<b>72,02,879</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS-3 Cash Flow Statements is	5,66,746	3,82,879
<b>Note 13.1:</b> Include deposits with remaining maturity of more than 12 months from date of Balance Sheet	103,20,000	68,20,000





**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 14**

**OTHER CURRENT ASSETS**

Particulars	March 31, 2016	March 31, 2015
<b>Unsecured, Considered good</b>		
<b>(a) Interest Accruals</b>		
(i) On Trade Receivables from Financing Activity	2,16,386	8,911
(ii) On Fixed Deposits	15,79,867	9,12,693
<b>(b) Others</b>		
(i) Staff loans	11,75,198	18,58,619
(ii) Service tax deferred input credit	28,081	-
(iii) Advances receivable	3,21,214	6,25,993
(iv) TDS receivable and Income tax refund due	-	5,75,965
(v) Other receivables	2,17,737	-
<b>Total</b>	<b>35,38,483</b>	<b>39,82,181</b>

**NOTE 15**

**REVENUE FROM OPERATIONS**

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest on loans under Financing Activity	208,52,289	195,28,772
Processing Fees on Loans under Financing Activity	18,69,250	16,63,120
Others	1,83,715	-
<b>Total</b>	<b>229,05,254</b>	<b>211,91,892</b>

**NOTE 16**

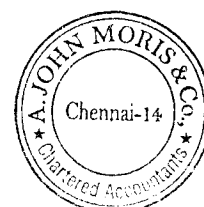
**OTHER INCOME**

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest Income on Fixed Deposits	7,40,860	5,62,648
Interest income on staff loan	57,039	74,793
Miscellaneous income	12,144	20,732
<b>Total</b>	<b>8,10,042</b>	<b>6,58,173</b>

**NOTE 17**

**EMPLOYEE BENEFIT EXPENSES**

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Salary, Allowances and Incentives	62,71,500	61,70,755
Director's Remuneration	12,00,000	12,00,000
Contribution to Provident Fund and Other funds	5,38,974	-
Staff welfare Expenses	1,41,688	6,38,669
Provision for Gratuity and Leave Encashment	3,41,704	2,64,401
<b>Total</b>	<b>84,93,866</b>	<b>82,73,825</b>



RORS FINANCE PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**NOTE 18**  
**FINANCE COSTS**

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
(a) Interest expense on		
(i) Borrowings	42,63,283	45,54,455
(ii) Payment of taxes	95,363	-
(b) Other Finance Costs		
Processing Fee and Documentation charges	8,10,840	-
<b>Total</b>	<b>51,69,486</b>	<b>45,54,455</b>

**NOTE 19**  
**ADMINISTRATIVE AND OTHER EXPENSES**

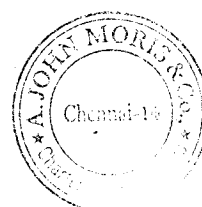
Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Rent, Rates and Taxes	9,85,705	9,55,948
Repairs and Maintenance	18,74,568	14,10,555
Postage and Communication	3,74,365	3,99,283
Travelling and Conveyance	3,91,532	3,86,387
Printing and Stationery	2,47,185	3,50,902
Bank Charges	74,372	44,621
Legal and Professional charges	96,043	1,85,954
Fee for company law compliance	4,150	38,600
Payments to Auditors (Refer Note (i) below)	1,50,750	98,877
Service Tax (Refer Note (ii) below)	51,800	-
Staff recruitment and Training Expenses	1,75,375	91,981
Membership and rating fees	1,29,000	-
Director sitting fee	35,000	20,000
Miscellaneous Expenses	67,898	12,108
<b>Total</b>	<b>46,57,743</b>	<b>39,95,216</b>

**Note**

(i) Payments to the Auditors comprises of (net of service tax input credit):

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
For Statutory Audit	1,00,500	1,68,540
For taxation matters	30,150	-
For other services	20,100	-
<b>Total</b>	<b>1,50,750</b>	<b>1,68,540</b>

(ii) As per Rule 6(3B) of Cenvat Credit Rules, 2004, the company has debited 50% of Cenvat Credit

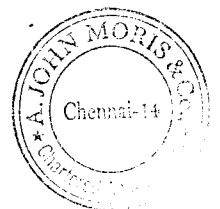


**RORS FINANCE PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

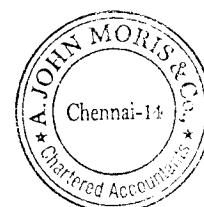
**NOTE 20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

Note	PARTICULARS		
20.1	Earnings in foreign currency - Rs. Nil (As at 31st March, 2015 - Rs. Nil)		
20.2	Expenditure in foreign currency - Rs. Nil (As at 31st March, 2015 - Rs. Nil)		
20.3	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
20.4	<b>Qualifying Assets Ratio</b>		
	S. No	Particulars	%
	A.	Net Assets of the Company	1094,85,833
	B.	Qualifying Assets	1021,24,854
	C.	Qualifying Assets Ratio	93.28%
	D.	Ratio of Income Generation Loan to Total Loan	
		Income Generation Loan	1000,21,533
		Total Loan	1021,24,854
		Ratio	97.94%
20.5	Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CCM (PK)-2008 dated 1st August 2008		
	(i) Capital to Risk asset ratio		
		Particulars	As at March 31, 2016 ₹
		Tier I Capital	597,93,643
		Tier II Capital	10,19,085
		Total	608,12,728
		Total Risk Weighted Assets	1193,52,654
		Capital Ratios	
		Tier I Capital as percentage of Total Risk Weighted Assets (%)	50.10%
		Tier II Capital as percentage of Total Risk Weighted Assets (%)	0.85%
		Capital to Risk Asset Ratio (CRAR)	50.95%
20.6	<b>Statutory Reserve</b>		
	As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Net profit after tax of the Company every year. Accordingly, the Company has transferred an amount of Rs. 380934/- (Year ended March 31, 2015 Rs. 204361/-), out of the Net Profit after tax for the year ended March 31, 2016 to Statutory Reserve.		
20.7	<b>Membership with Credit Information Companies</b>		
	As directed by RBI, the Company has become a member of 2 Credit Information Companies (CIC) and is in the process of being registered with the remaining 2 CICs. The Company provides timely and accurate data to the CICs and ensures compliance with the conditions prescribed.		



Note 20.7 Asset Classification and Provisioning

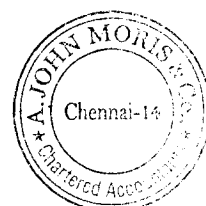
Note	Particulars																																							
	<b>Asset Classification &amp; Provisioning</b> The company complies with the prudential norms of the Reserve Bank of India (RBI) with regard to Income recognition, asset Accordingly, during the year, the Company in line with the guidelines laid down under the DNBR.(PD).CC.No.047/03.10.119/2015-16 dated July 1, 2015 has provided Rs. 1019085/- being higher of 1% of the outstanding portfolio as at March 31, 2016. The disclosure made in the following table with respect to the asset classification and the provision is as per the RBI guidelines:																																							
	<table><tr><th rowspan="2">Particulars</th><th colspan="2">March 31, 2016</th><th colspan="2">March 31, 2015</th></tr><tr><th>Loans for Financial Assistance</th><th>Provision</th><th>Loans for Financial Assistance</th><th>Provision</th></tr><tr><td>Summary of Portfolio Balance and related provisions</td><td>983,19,916</td><td>9,83,199</td><td>1023,26,297</td><td>10,23,263</td></tr><tr><td>Note No.6 Long Term Provisions</td><td></td><td>35,886</td><td></td><td>-</td></tr><tr><td>Note No.8 Short Term Provisions</td><td></td><td>9,83,199</td><td></td><td>8,41,827</td></tr><tr><td>Note No.11 Other Non Current Assets</td><td>35,88,552</td><td></td><td>226,59,292</td><td></td></tr><tr><td>Note No.12 Trade Receivables under Financing Activity</td><td>983,19,916</td><td></td><td>796,67,005</td><td></td></tr><tr><td>Total</td><td>1019,08,468</td><td>10,19,085</td><td>1023,26,297</td><td>10,26,263</td></tr></table>	Particulars	March 31, 2016		March 31, 2015		Loans for Financial Assistance	Provision	Loans for Financial Assistance	Provision	Summary of Portfolio Balance and related provisions	983,19,916	9,83,199	1023,26,297	10,23,263	Note No.6 Long Term Provisions		35,886		-	Note No.8 Short Term Provisions		9,83,199		8,41,827	Note No.11 Other Non Current Assets	35,88,552		226,59,292		Note No.12 Trade Receivables under Financing Activity	983,19,916		796,67,005		Total	1019,08,468	10,19,085	1023,26,297	10,26,263
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	<table><tr><th rowspan="2">Particulars</th><th>As at April 1, 2015</th><th>Additions</th><th>Utilisation</th><th>As at March 31, 2016</th></tr><tr><th>₹</th><th>₹</th><th>₹</th><th>₹</th></tr><tr><td>Provision for receivables under Financing Activity</td><td>8,41,827 (1,82,602)</td><td>10,19,085 (8,41,827)</td><td>8,41,827 1,82,602</td><td>10,19,085 (8,41,827)</td></tr><tr><td>Total</td><td>8,41,827 (1,82,602)</td><td>10,19,085 (8,41,827)</td><td>8,41,827 1,82,602</td><td>10,19,085 (8,41,827)</td></tr></table>	Particulars	As at April 1, 2015	Additions	Utilisation	As at March 31, 2016	₹	₹	₹	₹	Provision for receivables under Financing Activity	8,41,827 (1,82,602)	10,19,085 (8,41,827)	8,41,827 1,82,602	10,19,085 (8,41,827)	Total	8,41,827 (1,82,602)	10,19,085 (8,41,827)	8,41,827 1,82,602	10,19,085 (8,41,827)																				
Particulars	As at April 1, 2015		Additions	Utilisation	As at March 31, 2016																																			
	₹	₹	₹	₹																																				
Provision for receivables under Financing Activity	8,41,827 (1,82,602)	10,19,085 (8,41,827)	8,41,827 1,82,602	10,19,085 (8,41,827)																																				
Total	8,41,827 (1,82,602)	10,19,085 (8,41,827)	8,41,827 1,82,602	10,19,085 (8,41,827)																																				
	<b>Note:- Figures in brackets relate to the previous year.</b> Of the above, the following amounts are expected to be incurred within a year:																																							
	<table><tr><th rowspan="2">Particulars</th><th>For the year ended March 31, 2016</th><th>For the year ended March 31, 2015</th></tr><tr><th>₹</th><th>₹</th></tr><tr><td>Provision for receivables under Financing Activity</td><td>-</td><td>-</td></tr></table>	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015	₹	₹	Provision for receivables under Financing Activity	-	-																															
Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015																																					
	₹	₹																																						
Provision for receivables under Financing Activity	-	-																																						
	The provisioning norms adopted by the Company are the higher of the following: a. 1 % of the outstanding loan portfolio b. 50% of the aggregate loan instalments overdue for more than 90 days but less than 180 days and 100% of the aggregate loan instalments which are overdue for more than 180 days																																							
	<table><tr><th>Assets</th><th>Loan Portfolio ₹</th><th>Provision %</th><th>Provision ₹</th></tr><tr><td>a. Total Outstanding loan portfolio</td><td>1019,08,468</td><td>1%</td><td>10,19,085</td></tr><tr><td>Total (a)</td><td></td><td></td><td>10,19,085</td></tr><tr><td>b. Instalments overdue for more than 90 days but less than 180 days</td><td>1,07,991</td><td>50%</td><td>53,996</td></tr><tr><td>c. instalments overdue for more than 180 days</td><td>17,217</td><td>100%</td><td>17,217</td></tr><tr><td>Total (b+c)</td><td></td><td></td><td>71,213</td></tr></table>	Assets	Loan Portfolio ₹	Provision %	Provision ₹	a. Total Outstanding loan portfolio	1019,08,468	1%	10,19,085	Total (a)			10,19,085	b. Instalments overdue for more than 90 days but less than 180 days	1,07,991	50%	53,996	c. instalments overdue for more than 180 days	17,217	100%	17,217	Total (b+c)			71,213															
Assets	Loan Portfolio ₹	Provision %	Provision ₹																																					
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Total (b+c)			71,213																																					
	<table><tr><th rowspan="2">Nature of asset</th><th colspan="2">Loan outstanding without provision</th><th colspan="2">Provision</th></tr><tr><th>March 31, 2016</th><th>March 31, 2015</th><th>March 31, 2016</th><th>March 31, 2015</th></tr><tr><td>Standard assets</td><td>1017,83,260</td><td>839,10,209</td><td>10,17,833</td><td>8,39,102</td></tr><tr><td>Non Performing Assets</td><td>1,25,208</td><td>2,72,502</td><td>1,252</td><td>2,725</td></tr><tr><td>Total</td><td>1019,08,468</td><td>841,82,711</td><td>10,19,085</td><td>8,41,827</td></tr></table>	Nature of asset	Loan outstanding without provision		Provision		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	Standard assets	1017,83,260	839,10,209	10,17,833	8,39,102	Non Performing Assets	1,25,208	2,72,502	1,252	2,725	Total	1019,08,468	841,82,711	10,19,085	8,41,827															
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Non Performing Assets	1,25,208	2,72,502	1,252	2,725																																				
Total	1019,08,468	841,82,711	10,19,085	8,41,827																																				
	In the opinion of the management, overdue loans amounting to Rs. 10,96,347/- (Previous year Rs. 3,97,994/-) from 100 borrowers (Previous year 67) were not recoverable and were written off during the year.																																							



Note 20.8 Disclosure Pursuant to Reserve Bank of India Notification DNBS. 193DG(VL) - 2007 dated 22nd February 2007:

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company  
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		(₹ in lakhs)	
Liabilities side :			
1	Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Subordinated Debt :	-	-
	Secured	-	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	530.24	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	Secured	-	-
	Unsecured	47.50	-
	* Please see Note 1 below		
Assets side :			
		Amount outstanding	
2	Break-up of Loans and Advances including bills receivables(Other than those included in (4) below)		
	(a) Secured		-
	(b) Unsecured		1,019.08
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
4	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	2. Unquoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-





**RORS FINANCE PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 21 DISCLOSURES UNDER ACCOUNTING STANDARD - 20**

Note	Particulars	As at March 31, 2016	As at March 31, 2015
	<b>Earnings per share</b>		
	Net profit after tax for the year - in ₹	19,04,671	10,21,806
	Weighted Average number of Equity Shares (Nos.)	46,60,400	46,60,400
	Face Value per Share - in ₹	10	10
	<b>Earnings Per Share - in ₹</b>		
	-Basic	0.41	0.22
	-Diluted	0.41	0.22

**NOTE 22 DISCLOSURES UNDER ACCOUNTING STANDARD - 22**

Note	Particulars	As at March 31, 2016	As at March 31, 2015
		₹	₹
	<b>Deferred tax (liability) / asset</b>		
	Opening Balance	13,56,280	6,91,651
	On difference between book balance and tax balance of fixed assets	1,51,623	3,79,230
	Contingent provisions against standard assets	54,773	2,03,700
	On expenditure disallowed in the previous years, but allowable in the current year	(3,13,009)	81,700
	<b>Net deferred tax (liability) / asset</b>	<b>12,49,667</b>	<b>13,56,280</b>

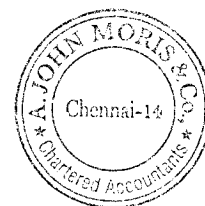
**NOTE 23 DISCLOSURES UNDER ACCOUNTING STANDARD - 18**

Note	Particulars	
23	Related party transactions	
23.a	Details of related parties:	
	Description of relationship	Names of related parties
	1 Managing Director and Key Management Personnel	Mr. P. Sathyanrayana Reddy
	2 Director	Mrs. Revathi Reddy
	3 Relative of Managing Director, son of Mr. P.S. Reddy	Mr. Bharadwaj S Reddy
	4 Key Managerial Personnel	Mr. Vasudeva Reddy
	5 Key Managerial Personnel	Mr. Vidyasagar
	6 Key Managerial Personnel	Mr. V. Sreenivasulu
	7 Relative of Key Managerial Personnel, Wife of Mr. V. Sreenivasulu	Mrs. Madhavi
	8 Key Managerial Personnel	Mr. Nithyananda Reddy





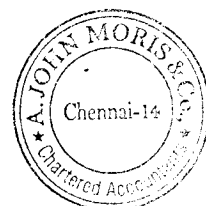
	Entities in which the Key Management personnel can control or exercise significant influence over the Entity in making financial and/or operating decisions :		
	Name of the Entity	Designation of the Key Management	
1	M/s. Rores Micro Entrepreneur Development Trust	Mr. P.S. Reddy, Founder Secretary and CEO	
2	M/s. Reorganization of Rural Economy and Society	Mr. P.S. Reddy, Founder Secretary	
3	M/s. Palar Mutual Benefit Association	Mr. P.S. Reddy, Settlor	
4	M/s. Palar Mutual Benefit Trust		
	Note: Related parties have been identified by the Management and relied upon by the auditors.		
23.b	Details of related party transactions during the year ended March 31, 2016 and balances outstanding as at March 31, 2016:		
		Amount in ₹	
	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	<b>Transactions during the year</b>		
	<b>Remuneration paid</b>		
	Mr. P. Satyanarayana Reddy	7,20,000	7,20,000
	Mrs. Revathi Reddy	4,80,000	4,80,000
	<b>Rent paid</b>		
	M/s. Reorganization of Rural Economy and Society	2,40,000	2,40,000
	Mr. V. Sreenivasulu	1,44,000	1,44,000
	<b>Term loans repaid</b>		
	Mr. P. Satyanarayana Reddy	3,37,000	3,50,000
	Mr. Bharadwaj S Reddy	3,00,000	-
	Mrs. Madhavi	-	2,00,000
	Mr. Nithyananda Reddy	2,00,000	-
	Mr. Vidya Sagar	-	2,50,000
	<b>Term loans accepted</b>		
	Mrs. Revathi Reddy	-	4,00,000
	Mr. Bharadwaj S Reddy	1,00,000	2,00,000
	Mr. V. Sreenivasulu	1,50,000	-
	<b>Interest paid on term loans</b>		
	Mr. P. Satyanarayana Reddy	75,139	1,63,737
	Mrs. Revathi Reddy	1,19,326	1,26,755
	Mr. Bharadwaj S Reddy	60,833	60,757
	Mr. Vasudeva Reddy	42,114	68,605
	Mrs. Madhavi	28,078	46,017
	Mr. Nithyananda Reddy	24,089	34,000
	Mr. Vidya Sagar	56,154	90,246
	Mr. V. Sreenivasulu	4,603	-



Particulars	As at March 31, 2016	As at March 31, 2015
<b>Balances outstanding at the end of the year</b>		
<b>Term loans</b>		
Mr. P. Satyanarayana Reddy	3,00,000	6,37,000
Mrs. Revathi Reddy	8,50,000	8,50,000
Mr. Bharadwaj S Reddy	2,50,000	4,50,000
Mr. Vasudeva Reddy	3,00,000	3,00,000
Mrs. Madhavi	2,00,000	2,00,000
Mr. Nithyananda Reddy	-	2,00,000
Mr. Vidya Sagar	4,00,000	4,00,000
Mr. V. Sreenivasulu	1,50,000	-
<b>Building rent deposit</b>		
Mr. V. Sreenivasulu	1,00,000	1,00,000

**NOTE 24 DISCLOSURES UNDER ACCOUNTING STANDARD - 15**

Note	Particulars	March 31, 2016 ₹	March 31, 2015 ₹
	<b>Employee Benefit - Defined benefit plans</b>		
<b>I</b>	<b><u>Employees Gratuity Scheme</u></b>		
<b>A.</b>	<b>Reconciliation of changes in present value obligation:</b>		
	Present value of defined benefits (Obligation at the beginning)	7,91,192	5,40,110
	Current service cost	1,80,656	1,63,791
	Interest cost	62,029	41,696
	Past service cost	-	-
	Actuarial (gains) / losses	10,010	45,595
	Benefits paid	-	-
	Present value of defined benefits (Obligation at the end)	10,43,888	7,91,192
	Current liability	1,56,225	42,687
	Non current liability	8,87,663	7,48,505
<b>B.</b>	<b>Change in fair value of plan assets:</b>		
	Fair value of plan assets at the beginning of the year	-	-
	Contributions	-	-
	Benefits paid	-	-
	Fair value of plan assets at the end of the year	-	-
<b>C.</b>	<b>Reconciliation of net Asset / (Liability) recognized in the Balance Sheet</b>		
	Net Asset / (Liability) recognized at the beginning of the period	(7,91,192)	(5,40,110)
	Employer expense	(2,52,696)	(2,51,082)
	Net Asset / (Liability) recognized at the end of the period	(10,43,888)	(7,91,192)
<b>D.</b>	<b>Expense recognized in the Statement of Profit and Loss</b>		
	Current service cost	1,80,656	
	Interest cost	62,029	
	Past service cost	-	
	Expected return on plan assets	-	
	Net actuarial (gain) / loss recognized during the year	10,010	
	Net expenses recognized	2,52,696	
<b>E.</b>	<b>Principal Actuarial Assumptions:</b>		
	Discount rate	7.84%	7.72%
	Salary escalation rate	3.00%	7.00%
	Attrition rate	12.00%	5.00%



<b>II</b>	<b><u>Employees Earned Leave Scheme</u></b>		
<b>A.</b>	<b>Reconciliation of changes in present value obligation:</b>		
	Present value of defined benefits (Obligation at the beginning)	2,21,782	2,08,463
	Current service cost	1,17,513	22,711
	Interest cost	17,388	16,093
	Past service cost	-	-
	Actuarial (gains) / losses	(45,893)	(25,485)
	Benefits paid	-	-
	Present value of defined benefits (Obligation at the end)	<b>3,10,790</b>	<b>2,21,782</b>
	Current liability	66,014	25,906
	Non current liability	2,44,776	1,95,876
<b>B.</b>	<b>Change in fair value of plan assets:</b>		
	Fair value of plan assets at the beginning of the year	-	-
	Contributions	-	-
	Benefits paid	-	-
	Fair value of plan assets at the end of the year	-	-
<b>C.</b>	<b>Reconciliation of net Asset / (Liability) recognized in the Balance Sheet</b>		
	Net Asset / (Liability) recognized at the beginning of the period	(2,21,782)	(2,08,463)
	Employer expense	(89,008)	(13,319)
	Net Asset / (Liability) recognized at the end of the period	<b>(3,10,790)</b>	<b>(2,21,782)</b>
<b>D.</b>	<b>Expense recognized in the Statement of Profit and Loss</b>		
	Current service cost	1,17,513	22,711
	Interest cost	17,388	16,093
	Past service cost	-	-
	Expected return on plan assets	-	-
	Net actuarial (gain) / loss recognized during the year	(45,893)	(25,485)
	Net expenses recognized	<b>89,008</b>	<b>13,319</b>
<b>E.</b>	<b>Principal Actuarial Assumptions:</b>		
	Discount rate	7.84%	7.72%
	Salary escalation rate	3.00%	7.00%
	Attrition rate	12.00%	5.00%



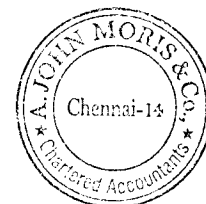
**Calculation of Capital Adequacy Ratio as at March 31, 2016**

Particulars	Sub totals ₹	Totals ₹	Totals ₹
<b>Tier I Capital</b>			
<b>Add:</b>			
1. Share capital	466,04,000		
2. Compulsorily Convertible preference shares	-		
3. Free reserves	144,39,311		
4. Share premium (balance in the account)	-		
5. Capital reserve (rep. sur+ of sale proceeds of asset)	-	<b>610,43,311</b>	
<b>Less:</b>			
1. Accumulated loss in balance sheet	-		
2. Book value of intangible assets	-		
3. Deferred tax assets	12,49,667	12,49,667	
<b>Net owned fund</b>		<b>597,93,643</b>	
<b>Less:</b>			
1. Shares in other NBFCs		-	
2. Shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding 10% of owned fund.		-	
Less: 50% of securitisation collateral	-	-	
<b>Tier I Capital</b>		<b>597,93,643</b>	
<b>Tier II Capital</b>			
<b>Add:</b>			
1. Preference shares other than compulsorily convertible shares	-		
2. Revaluation reserve at discounted rate of 55%	-		
3. General provisions and loss reserves to the extent of (1&1/4)% of risk weighted assets.	10,19,085		
4. Hybrid debt and capital instruments	-		
5. Subordinated debt - Discounted Value	-		
To the extent the discounting value does not exceeding 50% of Tier-I Capital	-		
Less: 50% of securitisation collateral	-		
	<b>10,19,085</b>		
<b>Limited to the extent of Tier I and II for the pupose of capital adequacy</b>			
(the total tier II capital at any point of time shll not exceed 100% of tier I)		10,19,085	
<b>Tier II Capital</b>		<b>10,19,085</b>	
<b>Total of Tier I &amp; Tier II Capital</b>			<b>608,12,728</b>



Asset particulars	Amount ₹	% of weight	Risk adjusted amount ₹
Cash and Bank balances	5,66,746	0%	-
Bank Balances in earmarked accounts as collateral	103,20,000	100%	103,20,000
Investments	-	100%	-
Loans and advances	1019,08,468	100%	1019,08,468
Tangible assets net of depreciation	6,49,731	100%	6,49,731
Intangible assets net of amortisation*	-	0%	-
<b>Other assets</b>			
a) TDS-income tax (net of provision)	-	0%	-
b) Advance tax paid (net of provision)	2,77,198	0%	-
c) Deferred tax assets*	12,49,667	0%	-
d) Others to be specified	64,74,455	100%	64,74,455
<b>Total risk weighted assets</b>	<b>1214,46,266</b>		<b>1193,52,654</b>
<b>CRAR</b>			<b>50.95%</b>

\*As per RBI instructions, assets deducted to arrive at NOF have a risk weight of 0%.



Assessee's Name :	RORS FINANCE PRIVATE LIMITED	Status :	PRIVATE LIMITED COMPANY
Date of Incorporation :	11.12.1987	Asst. Year :	2016-17
Nature of Business :	MICRO FINANCE	P.A.N :	AABCP1975H
Address :	No 65, Ramakrishna Extension, Srinivasapur, Kolar Dist., Karnataka - 563135	I.T.Juri :	Ward 5(1)(1), Ban.
		Period Ending :	31.03.2016

**STATEMENT OF TOTAL INCOME**

<b><u>INCOME FROM BUSINESS</u></b>			
Net Profit as per Profit & Loss A/c.			28,27,290
<b>Add: Inadmissible Expenses:</b>			
Incremental Provision for Standard Assets (excl. Bad debts written off)	1,77,258		
Depreciation as per Companies Act	12,93,306		
Interest on delayed / deferred payment of income tax	95,363		
			15,65,927
<b>Less: Admissible Expenses :</b>			
Depreciation as per Income Tax Act	8,02,618		
Payment of provision for gratuity for previous years	7,91,192		
Payment of provision for leave encashment for previous years	2,21,782		
			18,15,592
<b>Less: Income chargeable under other heads of income :</b>			
Dividend from Mutual Funds	-		
Fixed Deposit Interest	7,40,860		7,40,860
<b>INCOME FROM BUSINESS</b>			<b>18,36,765</b>
<b><u>INCOME FROM OTHER SOURCES</u></b>			
Fixed Deposit Interest	7,40,860		
<b>INCOME FROM OTHER SOURCES</b>			<b>7,40,860</b>
<b>INCOME FROM BUSINESS</b>	18,36,765		
<b>INCOME FROM OTHER SOURCES</b>	7,40,860		
<b>Total Income</b>			<b>25,77,625</b>
			<b>(or)</b>
<b>Total Income (as rounded off)</b>			<b>25,77,630</b>

**STATEMENT OF BOOK PROFIT**

Net profit as per revised Schedule VI		28,27,290
		28,27,290
Less: Brought forward loss or unabsorbed depreciation whichever is less		-
<b>BOOK PROFIT</b>		28,27,290
<b>BOOK PROFIT (AS ROUNDED OFF)</b>		(or) 28,27,290

**STATEMENT OF TAXES**

I. Tax due as per Book Profit U/s. 115-JB @ 18.5%		5,23,049
II. Tax due as per Income Tax Act.		7,73,289
Tax Payable (higher of above I & II)		7,73,289
<b>Total Tax and Surcharge Payable</b>		7,73,289
Add: Education & Higher Education Cess @ 3% on above		23,199
<b>Total Tax, Surcharge and Education Cess Payable</b>		7,96,488
<b>Less: Prepaid Taxes:</b>		
(A) MAT Credit Set off		-
(B) Tax deducted at source	10,00,000	
(C) Advance Tax:	73,686	
		10,73,686
<b>BALANCE TAX AND INTEREST PAYABLE/(REFUND DUE)</b>		<b>(2,77,198)</b>

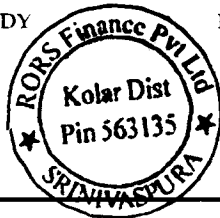
For and on behalf of the Board of Directors

*P S Reddy*

P. SATHYANARAYANA REDDY  
Managing Director

*Revathi Reddy*

REVATHI REDDY  
Director



Place : Srinivasapur  
Date : June 11, 2016



**RORS FINANCE PRIVATE LIMITED**  
**Notes forming part of the financial statements**  
**Statement of Depreciation as per The Income tax Act, 1961**

**NOTE: FIXED ASSETS**

A.	Tangible assets	WDV as on 01/04/2015	Additions		Disposals	Total assets	Rate	Depreciation / amortisation expense for the year	WDV as on 31/03/2016
		₹	₹	₹	₹	₹	%	₹	₹
			1st half	2nd half					
	Furniture and Fixtures	1,65,609	3,582	-	-	1,69,191	10%	16,919	1,52,272
	Computer	7,851	-	-	-	7,851	60%	4,711	3,140
	Plant & Machinery, vehicles	25,29,264	8,685	70,917	4,49,938	21,58,928	15%	3,18,520	18,40,408
	<b>Sub-Total</b>	27,02,724	12,267	70,917	4,49,938	1,77,042		3,40,150	19,95,820
<b>B.</b>	<b>Intangible Assets</b>								
	Goodwill and IPR	18,49,873	-	-	-	18,49,873	25%	4,62,468	13,87,405
	<b>Sub-Total</b>	18,49,873	-	-	-	21,66,779		4,62,468	13,87,405
	<b>Total</b>	<b>45,52,597</b>	<b>12,267</b>	<b>70,917</b>	<b>4,49,938</b>	<b>23,43,821</b>		<b>8,02,618</b>	<b>33,83,225</b>