

ANNUAL REPORT 2015-16



RSD FINANCE LIMITED

Board of Directors (as at March 31, 2016)

| | |
|----------------------------|---------------------------------|
| Mr. Rajeev Singh Dugal | Managing Director |
| Mrs. Anureet Kaur | Independent Director |
| Mr. Malkeet Singh Saini | Independent Director |
| Mr. Sushil Kumar Khowala | Independent Director |
| Mr. Roop Narayan Choudhary | Non Independent Director |

Chief Financial Officer

Mr. Rechan Chhabra

Company Secretary and Compliance Officer

Ms. Puja Choudhary

(Ms. Simi Sen resigned on May 31, 2016 &
Ms. Puja Choudhary appointed w.e.f June 01, 2016)

Auditors

Manisha Gupta & Associates
D.B. – 14, Budh Vihar, Narayani Complex
Phase – II, Prakash Nagar, Telco
Jamshedpur – 831004.

Registrar & Share Transfer Agent

S. K Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata- 700 006
Tel: 033-22196797 & 033-22194815

Secretarial Auditor

Mr. Sital Prasad Swain
Practicing Company Secretary
Room No-02, 4th Floor,
Meghdeep Tower, Bistupur,
Jamshedpur - 831001

Bankers**IDBI BANK**

1. Specialized Corporate Branch
2. Shantiniketan, Sakchi

KOTAK MAHINDRA

1. KG. Marg, New Delhi
2. Nariman Point Mumbai

AXIS BANK LTD

1. Voltas House, Jamshedpur

BANK OF INDIA

1. Adityapur, Jamshedpur

PUNJAB NATIONAL BANK

1. Adityapur, Jamshedpur

STATE BANK OF INDIA

1. Bistupur, Jamshedpur

Registered Office

224, AJC Bose Road
Room No – 902, 9th floor
Krishna Building
Kolkata – 700 017

Administrative Office

C/o The Alcor Hotel
Opp. Indian Oil Petrol Pump
Ramdas Bhatta, Bistupur
Jamshedpur - 831001

Factory Office

NS—13, 2nd Phase,
Industrial Area, Adityapur
Jamshedpur - 832109
Saraikella - Kharsawan

INDEX

| Contents | Page No. |
|--|-----------------|
| Notice..... | 03 |
| Directors' Report | 11 |
| Extract of Annual Return | 36 |
| Corporate Governance Report | 44 |
| MD & CFO Certificate on Financials | 63 |
| Management Discussion & Analysis | 65 |
| Auditors Certificate on Corporate Governance | 71 |
| Auditors Report on NBFC..... | 73 |
| <u>STANDALONE</u> | |
| Independent Auditor's Report | 79 |
| Balance Sheet | 87 |
| Profit and Loss Account..... | 88 |
| Cash Flow Statement | 89 |
| Schedules..... | 90 |
| <u>CONSOLIDATED</u> | |
| Independent Auditor's Report | 107 |
| Balance Sheet | 112 |
| Profit and Loss Account..... | 113 |
| Cash Flow Statement | 114 |
| Schedules..... | 115 |
| Attendance Slip | 131 |
| Proxy Form..... | 132 |

R S D FINANCE LIMITED

CIN: L17222WB1963PLC025749

Registered Office: 224 A J C Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata- 700 017

Admin Office: C/o. The Alcor Hotel, Holding No. 4, Opp. Indian Oil Petrol Pump,
Ramdas Bhatta, Bistupur, Jamshedpur- 831001

Email: rsdfinance.ltd@gmail.com , complianceofficer@rsdfinancelimited.com

Website: www.rsdfinancelimited.com

NOTICE

Notice is hereby given that the 53rd Annual General Meeting of the Company will be held on Saturday the 24th Day of September, 2016 at the Registered office of the Company at 224, A.J.C. Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata-700 017 at 2.30 P.M. to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company (including the Consolidated Financial Statements) for the Financial Year ended March 31, 2016 together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Roop Narayan Choudhary (DIN: 00583184), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company, to fix their remuneration and if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions of Companies Act, 2013, if any, the Rules made there under, as amended from time to time and pursuant to the resolution passed by the members of the Company at the 51st Annual General Meeting (held on 30th September, 2014) the appointment of M/s. MANISHA GUPTA & ASSOCIATES (Firm Registration No. 017879C), Chartered Accountants as Statutory Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2017, be and is hereby ratified on the remuneration plus reimbursement of out of pocket expenses, as may be mutually agreed to between the Board of Directors and the Auditors.”

**By Order of the Board
RSD Finance Ltd.**

Place: Jamshedpur
Date: 11th August, 2016

Sd/
Rajeev Singh Dugal
Chairman

NOTES:

1. The Explanatory Statement setting out the profile of the Director seeking re-appointment, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015") is annexed.
2. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form, in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

3. Corporate members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members/ Proxies/ Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2016 to 24th September, 2016 (both days inclusive) in terms of provisions of Section 91 of the Companies Act, 2013.
6. A member desirous of getting any information on the accounts or operations of the company is required to forward his/her queries to the company at least seven days prior to the meeting so that the required information can be made available at the meeting.
7. Every member entitled to vote at a meeting of the company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention to inspect is given to the company.
8. In terms of Part A of Schedule VII of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for registration of transfer of securities, the transferee(s) as well as transferor(s) are required to furnish a copy of their PAN card along with transfer documents for registration of transfer of securities.

Further for securities market transaction and/or for off- market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) shall furnish a copy of PAN card to the Company for registration of such transfer of securities. All intended transferee(s) are, therefore, requested to furnish a self certified copy of their PAN Card along with the relevant transfer deed for registration of transfer

of shares. Please note that the shares lodged for transfer without self certified copy of PAN Card of the transferee(s) shall be returned under objection.

9. Trading in the equity shares of the company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the company's equity share is INE616F01014.
10. The members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting.
11. Members are requested to send all communications relating to shares to the Company's Share Transfer Agent (Physical & Electronic) to **M/S S. K. Infosolutions Pvt Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006.**
(Note: M/S S. K. Infosolutions Pvt. Ltd. became Share Transfer Agent with effect from 04.07.2015, previously it was M/S Maheshwari Datamatics Pvt Ltd 6, Mangoe Lane, 2nd Floor, Kolkata-700001)
12. In furtherance of the Go Green Initiative, Members holding shares in physical mode are requested to register their e-mail ID's with the S. K. Infosolutions Private Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.
If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form.
13. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the electronic copy of the Annual Report 2015-16, Notice of the 53rd AGM of the Company along with the Admission Slip and Proxy Form are being sent to all the members whose email ids are registered with the Company/ Depository Participants (Physical copy of the aforesaid documents may be sent on request by any such Member)
14. Physical copy of the Annual Report for 2015-16, the Notice of the 53rd AGM of the Company along with the Admission Slip and Proxy Form are being sent to those members who have not registered their email addresses with the Company/ Depository Participants. Notice of this Annual General Meeting and the Annual Report for the year 2016 will also be available on the Company's website www.rsdfinancelimited.com.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH- 13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
16. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
17. The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

18. E - Voting

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely, 17th September 2016 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

A. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Agreement entered into with the Stock Exchange, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 20th September, 2016 (09:00 am) and ends on 23th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL:

<https://www.evoting.nsdl.com>

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "RSD FINANCE LIMITED".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sitalpr@yahoo.co.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided in the Annexure or at the bottom of the Attendance Slip for this AGM (enclosed herewith);

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17th September, 2016.

VOTING AT AGM :-

- X. The members who have not casted their votes either electronically or through Ballot Form, can exercise their voting rights at the AGM through ballot paper.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XII. A member may participate in the AGM even after exercising his right to vote through remote e- voting but shall not be allowed to vote again at the AGM
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. Mr. Sital Prasad Swain, Practicing Company Secretary (Membership No. F6338 and CP No – 6814) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.rsdfinancelimited.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and CSE Limited, where the shares of the Company are listed.
- XVIII. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
- XIX. Route Map showing directions to reach to the venue of the 53 rd AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting".

9. All documents referred to in the accompanying Notice of Financial Year 2015-16 shall be open for inspection at the Registered Office and the Administrative Office of the Company, between 12.30 PM and 3.00 PM on all working days(i.e. except Saturdays, Sundays and Public holidays), up to the date of this AGM.

10. The names and address of the Stock Exchanges where at the Company's Equity Shares are listed, are given below:-

The Calcutta Stock Exchange Limited

7, Lyons Range, Kolkata – 700 001

The Bombay Stock Exchange Limited

PJ Towers, Dalal Street, Mumbai – 400 001

ANNEXURE TO ITEM NO. 2 OF THE NOTICE

(Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015)

| | |
|--|--|
| Name of the Director | Roop Narayan Choudhary |
| Date of Birth | 14/02/1971 |
| Nationality | Indian |
| Date of Appointment on the Board | 30/09/2015 |
| Qualifications | B.Com(H) |
| Expertise in specific functional area | Expertise in specific functional area Marketing, Personnel, Operations, Communication, Strategy & Development and Finance. |
| Number of shares held in the Company | 64, 500 Equity Shares |
| List of the directorships held in other companies* | TSF LIMITED |
| Number of meeting of Board attended during the year | No. of meetings held after his appointment – 15 No. of Board meetings attended - 15 |
| Chairman/ Member in the Committees of the Boards of companies in which he is Director* | Chairman – NIL Member - NIL |
| Relationships between Directors inter-se | NIL |

* Directorship includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

**By Order of the Board
RSD Finance Ltd.**

Sd/-

**Rajeev Singh Dugal
Chairman**

Place: Jamshedpur

Date: 11th August, 2016

DIRECTORS REPORT

To
The Members
RSD Finance Limited

Your Directors have pleasure in presenting their Fifty-third Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2016.

KEY FINANCIAL HIGHLIGHTS

(AMT. IN RUPEES)

| | STANDALONE | | CONSOLIDATED | |
|--|--------------------|---------------------|---------------------|---------------------|
| FINANCIAL RESULTS | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| Profit for the year ended | 2,89,00,601 | 2,37,14,680 | 13,60,23,423 | 6,49,73,868 |
| Less : Provision for Taxation | | | | |
| Current Tax | 29,22,154 | 27,13,264 | 26,307,850 | 1,35,92,090 |
| Deferred Tax (Assets) | (55,242) | (3,27,672) | 4,163,371 | (8,62,425) |
| Adjustment related to Earlier Year | - | - | - | 51,67,731 |
| Less : Minority Interest | | | 5,874,394 | |
| | 2,60,33,689 | 2,13,29,088 | 99,677,808 | 4,70,76,472 |
| Add : Profit B/F from previous Year | 21,23,29,384 | 19,79,16,259 | 24,81,76,625 | 21,21,65,971 |
| Sub Total | 23,83,63,073 | 21,92,45,347 | 34,78,54,433 | 25,92,42,443 |
| Less: P/L Appropriation | (255,736) | 26,50,145 | (2,80,226) | - |
| Less : Transferred to Statutory Reserve | 52,06,738 | 42,65,818 | 52,06,738 | 42,65,818 |
| Less: Proposed Dividend including DDT | - | - | 68,30,531 | 68,00,000 |
| Balance C/f to Balance Sheet | 2334,12,071 | 21,23,29,384 | 33,60,97,390 | 24,81,76,625 |

BUSINESS PERFORMANCE REVIEW

The main operations of the Company are that of investment. The main source of income for the Company is in the form of dividends. The Company has received dividend income of Rs. 1.33 Crores during the year and an Interest income of Rs. 2.99 crores during the Year. The Company is also engaged in Job Work business.

During the Financial Year, the company has tried to maximize its return by utilization of its fund. It has entered into new sectors of business through its wholly owned subsidiary Company, Precision Automotive Private Limited. The Company also entered into hospitality

business by acquiring 52.55% Equity shares of SRP Oil Private Limited, which is running a four star category hotel in Jamshedpur.

DIVIDEND

Your Director's regret for not recommending any Dividend on Equity Shares and has decided to retain the profits for future investments and to strengthen the business of the Company.

RESERVES

The Company proposes to transfer Rs. 52.06 lakhs to the statutory reserves and an amount of Rs. 2334.12 lakhs is proposed to be retained in the P/L account during the Financial Year 2015-16.

PUBLIC DEPOSIT

Your Company has not accepted any Deposit from the Public during the financial year within the meaning of section 73 of the Companies Act, 2013 nor any amount of principal or interest on deposit from the public was outstanding as on the date of the balance sheet.

FINANCIAL LIQUIDITY

The Company's cash and cash equivalents as on March 31, 2016 was Rs. 14.33 lakhs compared to Rs. 49.08 lakhs as on March 31, 2015. The Company continues to focus on judicious management of its working capital. Receivables and other working capital parameters were kept under strict check through continuous monitoring.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company. The consolidated financial results reflect the operations of Precision Automotive Private Limited (PAPL) and SRP Oil Private Limited.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Policy, as approved by the Board, is uploaded on the Company's website.

PERFORMANCE OF SUBSIDIARIES

i) PRECISION AUTOMOTIVE PRIVATE LIMITED (PAPL)

Precision Automotive Private Limited is a wholly owned subsidiary Company of RSD Finance Limited. The revenue from operations of PAPL decreased from Rs. 19.62 Crores in the previous year to Rs. 14.57 crores during 2015-16. Whereas, the net profit before tax during the period increased from Rs. 4.13 crores to Rs. 8.95 crores during the FY 2015-16.

During the year, PAPL has entered into a new line of business. It has set up a Solar plant in Newai, Rajasthan. The Company is hopeful for a brighter future.

ii) S R P OIL PRIVATE LIMITED

During the year, the Company has acquired the Equity Shares in SRP Oil Private Limited. Consequently, the shareholding of the Company in SRP has increased to 52.55%

Net sales of SRP Oil increased from Rs. 14.84 crores in the previous year to Rs. 15.25 crores during 2015-16. Net profit before tax also increased from Rs. 0.95 crores to Rs. 1.76 crores during the FY 2015-16.

The Company does not have any associate or joint venture Companies. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing the salient features of the financial position of the above mentioned subsidiary Companies in Form AOC-1 is attached as 'Annexure - I'.

SHARE CAPITAL

The Equity shares of the Company are listed on the BSE and the CSE. The paid up Equity Share Capital as on March 31, 2016 was Rs. 6.47 crores. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

LISTING

The Equity Shares of the Company got the trading approval from the Bombay Stock Exchange (BSE) on May 13, 2016. The shares of the Company continue to be listed on the CSE Limited (CSE). The scrip code number of the Equity Shares of the Company on BSE is 539875 and on CSE is 28123.

Pursuant to the Reg. 109 – SEBI (ICDR) Regulation – 2009 (amendment) and SEBI (Listing Obligations and Disclosure Requirements) Regulations – 2015 which were notified on September 2, 2015 with the objective of bringing the framework governing the regime of listed

entities in line with the Companies Act, 2013, a new Listing Agreement was executed with CSE Limited on 26 February, 2016.

The Annual Listing Fee for the Financial Year 2016-17 has been duly paid within the stipulated time to both the Stock Exchanges.

DIRECTOR AND KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Roop Narayan Choudhary, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Necessary resolutions for the re-appointment has been included in the notice convening the ensuing AGM and details of the proposal for re-appointment is mentioned in the explanatory statement of the notice. Your directors recommend the re-appointment.

Ms. Simi Sen resigned as the Company Secretary w.e.f close of business hours of May 31, 2016. Ms. Puja Choudhary was appointed as the Company Secretary w.e.f June 01, 2016.

Mr. Rajeev Singh Dugal (Managing Director), Mr. Rechan Chhabra (Chief Finance Officer) and Ms. Puja Choudhary (Company Secretary) are the Key Managerial Personnel (KMP) of the Company, pursuant to the provisions of the Company Act, 2013 as on the date of this report.

All the directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each of its Independent Directors under section 149(7) of the Companies Act, 2013, that he/she meets the criteria as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013 as well as the SEBI (LODR) Regulations, 2015.

BOARD AND ITS COMMITTEES

BOARD MEETINGS

The Board met Eighteen times during the financial year. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Regulation, 2015. The details of dates of meetings held by the Board and its Committees,

attendance of Directors, etc. is given separately in the Report of Corporate Governance which forms part of the report.

AUDIT COMMITTEE

The Audit Committee comprises of 2 Independent Directors namely Mr. Sushil Kumar Khowala (Chairman) and Mr. Malkeet Singh Saini. Mr. Rajeev Singh Dugal as the 3rd member. All the recommendations made by the Audit Committee were accepted by the Board. The details of term of reference of the Audit Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.

Details of the composition of other Committees and the Meetings held and attendance of the members at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

BOARD EVALUATION

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole as well as working of the Audit, Nomination, Stakeholders Relationship Committee and the Risk Management Committee has been carried by your company during the year under review as per the evaluation criteria approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

In addition, the Managing Director was evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Management. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. We have documented policies and procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and all other records to prepare financial statements and other data.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION and FOREIGN EXCHANGE EARNING & OUTGO

Considering its nature of activities, the following disclosures are made as per the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014:

- (i) The Company has no activities relating to conservation of energy and technology absorption.
- (ii) There are no foreign exchange earnings or outgo during the period under review.

RELATED PARTY TRANSACTION

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Your Directors draw attention of the members to Notes to the financial statement which sets out related party disclosures.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website.

Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC - 2. AOC 2 is attached as 'Annexure – II'

RISK MANAGEMENT POLICY

Pursuant to section 134(3) (n) of the Companies Act, 2013, the Board of directors of the Company has adopted a Risk management Policy of the Company. The Company manages

monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The objectives of the Policy are to optimize business performance, protect it from damages, frauds and to promote confidence amongst our stakeholders in the effectiveness of our business management process and our ability to plan & meet our strategic objectives.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility are not applicable to the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism / Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The said policy is available on the website of the Company.

STATUTORY AUDITORS

The financial statements have been audited by M/s. Manisha Gupta & Associates (FRN-017879C), Chartered Accountants, Statutory auditors of the Company.

Pursuant to the provisions of Sec. 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Manisha Gupta & Associates (FRN- 017879C) were appointed as the Statutory Auditor for a period of 5 years to hold office from the conclusion of the AGM of the Company held on 30th September, 2014, subject to the ratification of their appointment at every AGM.

A resolution seeking ratification of their appointment forms part of the Notice of AGM.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company had appointed Mr. Sital Prasad Swain, Practicing Company Secretary (Membership No. F6338 & CP No – 6814) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed to the Boards Report as "Annexure – III".

AUDITORS' REPORT**a) INDEPENDENT AUDITOR'S REPORT**

There are no qualification, reservation or adverse remark or disclaimer in the Independent Auditor's Report provided by M/s. Manisha Gupta & Associates, Chartered Accountants, for the FY 2015 - 2016. The notes to accounts forming part of financial statements are self-explanatory and need no further clarification.

b) SECRETARIAL AUDIT REPORT

There are no qualifications, reservation or adverse remark or disclaimer in Secretarial Audit Report provided by Mr. Sital Prasad Swain, whole time Company Secretary in practice (Membership No. F6338 & CP No – 6814)

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134 (3)(c) and 134 (5) of the Companies Act, 2013:

- (a) that in the preparation of Annual Accounts, the applicable Accounting Standard has been followed.
- (b) that the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and the Statement of Profit and Loss for that period.
- (c) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities.
- (d) that the Directors have prepared the Annual Accounts ongoing concern basis.
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised a proper system to ensure compliance with the provisions of all applicable laws.

PARTICULARS OF EMPLOYEES

Your Directors acknowledge and appreciate the sincere efforts and effective services rendered by the committed employees and staff of the company.

Information in accordance with the provisions of Section 134 (3) (q) and Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees is provided in 'Annexure IV', forming part of this report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in Notes to the Financial Statements, which are within the limits prescribed under Section 186 of the Companies Act, 2013.

POLICY FOR APPOINTMENT AND REMUNERATION:

The Board has, on recommendation of the Nomination and Remuneration Committee formulated a policy for selection and appointment of Directors, senior managements and their remuneration. The details of the said policy are attached to the report as 'Annexure- V'

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Designated Persons in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, which was amended in May, 2016. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The code of conduct for Prevention of Insider Trading is posted on the website of the Company and can be accessed at: www.rsdfinancelimited.com

All the Board of Directors and designated employees have confirmed compliance with the Code.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is hereby attached with this Report in 'Annexure VI' and is a part of this Report. The same is as on 31st March, 2016.

CORPORATE GOVERNANCE

The Companies Act, 2013 and the listing agreement with the Stock exchanges require compliances with specified Corporate Governance practices. These practices have been fully implemented. The Company is regularly complying with Corporate Governance practices. Your Company is also enlisted in the SEBI compliant redressal system (SCORES) enabling the investors to register their complaint if any for speedy redressal.

Pursuant to Schedule V of the SEBI Regulation the following Reports/Certificates form part of the Annual Report:

- the Report on Corporate Governance;
- the Certificate duly signed by the Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2016 as submitted to the Board of Directors at their meeting held on May 30, 2016 ;
- the declaration by the Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct ;
- the Auditors' Certificate on Corporate Governance; and
- the Management Discussion & Analysis Report

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

Your Directors confirm that there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes or events affecting the financial position of the Company have occurred between the end of the Financial year of the Company to which the financial Statements relates and the date of this report.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2015-16.

ANNEXURES FORMING PART OF DIRECTOR'S REPORT

The Annexure referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report:

| ANNEXURE | PARTICULARS |
|-----------------|---|
| I | AOC-1 |
| II | AOC- II |
| III | Secretarial Audit Report |
| IV | Particulars of Employees under Section 134 (3) (q) and Section 197 (12) of the Companies Act, 2013 |
| V | Remuneration Policy |
| VI | Extract of the Annual Return in Form MGT-9 |
| VII | Corporate Governance Report |
| VIII | Managing Director's and CFO's certification in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations |
| IX | Managing Director's Certificate under Schedule V Part D of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 on compliance of Code of Conduct |
| X | Management Disclosure and Analysis Report |
| XI | Certificate from Statutory Auditors on Corporate Governance Report |

APPRECIATION

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Government of India and the other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks, Financial Institutions, SEBI, RTA and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by the Stakeholders.

For and on behalf of the Board

Place: Jamshedpur
Dated: August 11, 2016

Sd/-
Rajeev Singh Dugal
Chairman
DIN - 00052037

Registered Office:
224 AJC Bose Road, Krishna Building
9th Floor, Room No -904
Kolkata – 700 017

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl. No. | Particulars | Details | |
|---------|---|---|--|
| 1 | Name of the Subsidiary | Precision Automotive Pvt. Ltd | S R P Oil Private Limited |
| 2 | Date since when the subsidiary was acquired | 15.11.2013 | 01.10.2015 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA | NA |
| 4 | Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries | Reporting Currency –INR Exchange Rate – 1.00 | Reporting Currency – INR Exchange Rate – 1.00 |
| 5 | Share capital | 6,81,00,000 (Rupees six crores eighty one lakhs only) divided into 1000 Equity Shares of Rs.100/- each and 68,00,000 Preference Shares of Rs. 10/- each. | 4,91,70,000 (Rupees four crores ninety one lakhs seventy thousand only) divided into 49,17,000 Equity Shares of Rs. 10/- each. |
| 6 | Reserves & Surplus | 63,10,90,902.00 | 24,73,30,239.00 |
| 7 | Total Assets | 78,95,98,904.00 | 42,41,27,845.00 |
| 8 | Total Liabilities | 78,95,98,904.00 | 42,41,27,845.00 |
| 9 | Investments | 64,61,75,188.00 | 10,06,71,705.00 |
| 10 | Turnover | 14,57,12,517.00 | 15,25,48,222.00 |
| 11 | Profit before taxation | 8,94,77,937.00 | 1,76,44,886.00 |
| 12 | Provision for Taxation (Tax Expenses) | 2,23,39,598.00 | 52,64,710.00 |
| 13 | Profit after taxation | 6,71,38,339.00 | 1,23,80,176.00 |
| 14 | Proposed Dividend (Inclusive of DDT) | 68,30,531.00 | NIL |
| 15 | % of shareholding | 100% Equity | 52.55% Equity |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: NOT APPLICABLE.
- Names of subsidiaries which have been liquidated or sold during the year : NOT APPLICABLE
- No Company has become a Joint venture or associate during the financial year 2015-16, hence Part – B of form AOC- 1 is not reported.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The transactions entered into by the Company during the year with related parties on an arm's length basis, were not material in nature.

For and on behalf of the Board of Directors

Sd/-

**Rajeev Singh Dugal
Managing Director**

Place: Jamshedpur

Date: August 11, 2016

Form No. MR-3
SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED: 31.03.2016

To

The Members,
RSD Finance Limited
224, AJC Bose Road
Krishna Building, 9th Floor
Kolkata – 700 017

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

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

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

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing. (Not applicable on the Company during the Audit Period)

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014; (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

I have also examined compliance with the applicable clauses of the following:

- i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into by the Company with the Stock exchanges; and
- ii) Secretarial Standards issued by The Institute of Company Secretaries of India notified with effect from July 1, 2015.

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

I have not examined the accounts for the year ended 31st March 2016 as also the compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review and audit by statutory financial auditors and other designated professionals.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda was to be sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Place: Jamshedpur
Dated: May 30, 2016

Sd/-
Sital Prasad Swain
Practising Company Secretary
F6338 CP No.6814

ANNEXURE "A"

To

The Members,

RSD Finance Limited

224, AJC Bose Road

Krishna Building, 9th Floor

Kolkata – 700 017

My Report of even date is to be read along with this annexure.

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

Place: Jamshedpur
Dated: May 30, 2016

Sd/-
Sital Prasad Swain
Practising Company Secretary
F6338 CP No.6814

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

The total number of employees of your Company was 11 as on March 31, 2016.

Particulars of Employees: During FY 15-16, your Company had not employed anyone with a remuneration of Rs. 60 Lakhs or more per annum nor had employed for a part of the year with a remuneration of Rs. 5 Lakhs or more per month.

- I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is given below:

| Name of Director | Ratio to median remuneration of Employees |
|--|---|
| Rajeev Singh Dugal (Managing Director) | 6.52:1 |

- II. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial Year 2015-16 and the comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the company are as under:

| Sl.No. | Name of Director / KMP | % increase in Remuneration | Comparison of the remuneration of the KMP against the performance of the Company |
|--------|---|----------------------------|--|
| 1. | Rajeev Singh Dugal | NIL | The remuneration of KMP increased around 7.80%, however the Company's Revenue and PAT increased by 32.54% and 22.06% respectively in the FY-16 |
| 2. | Rechan Chhabra, Chief Financial Officer | 7.80% | |
| 3. | Simi Sen, Company Secretary | NIL | |

- III. The median of fixed remuneration of the employees in the financial year increased by around 4.45%. The increase in the median remuneration of employees is mainly because of the addition of the manpower in the company.
- IV. The number of permanent employees on the rolls of the Company: 11

- V. The increase in the average remuneration of all employees in the Financial Year 2015-16 was 4.45%, whereas the Company's revenue increased by 32.54% and Profit after tax increased by 22.06%. The average increase is not based only on the performance of the Company but also the budgetary impact within the Company.
- VI. Details of Share Price and Market Capitalization : The Shares of the Company are not traded on the Stock Exchange(s)
- VII. The average increase in salaries of Employees other than managerial personnel in the FY 15- 16 was NIL. The percentage increase in managerial remuneration was 7.80%
- VIII. Comparison of each remuneration of KMP against the performance of the Company:

| Name of KMP | Designation | % of Revenue | % of PBT |
|------------------------|-------------------------|--------------|----------|
| Mr. Rajeev Singh Dugal | Managing Director | 2.07% | 4.15% |
| Mr. Rechan Chhabra | Chief Financial Officer | 0.82% | 1.64% |
| Ms. Simi Sen | Company Secretary | 0.17% | 0.33% |

- IX. There are no employees of the Company who received remuneration in excess of the highest paid Director of the Company.
- X. The Company affirms remuneration is as per the Remuneration Policy of the Company.

During the year the Company had not engaged any employee drawing remuneration exceeding the limit specified under section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

- to retain, motivate, promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL
AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
- e) The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

TERM / TENURE**a) Managing Director/Whole-time Director:**

- i. The Nomination and Remuneration Committee shall identify a person according to the requirements of the Company for the above position and recommend their appointment to the Board including the terms of appointment and remuneration.
- ii. The Board shall consider the recommendation of the NRC and accordingly approve the appointment and remuneration. The appointment of MD, JMD, WTD shall be subject to the approval of the Shareholders.
- iii. Appointment of other employees will be made in accordance with the Company's HR Policy.

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company or by the Board on its own if the person commits a breach of the duties, functions and responsibilities or obligations on any reason prescribed by the law or AOA or the Listing Agreement or for reason of poor performance as measured as a result of performance evaluation.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**1) Remuneration to Managing Director:**

- a) The Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The Remuneration/ Commission etc. to be paid to Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees for attending meeting of the Board and the committee and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) The profit-linked Commission shall be paid within the monetary limit approved by the Shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. Non-Executive Directors are eligible for Stock Options as approved by the shareholders.

- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

Any incidental expense incurred by the Directors with relation to the participation in the meetings of the Board and other Sub Committees shall be reimbursed.

3) Remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) Remuneration of Executive Directors, Key Managerial Personnel and Senior Management is determined and recommended by the Nomination & Compensation Committee and approved by the Board. Remuneration of Executive Directors is also subject to the approval of the shareholders.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

| |
|---|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.03.2016 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014. |

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|---|--|
| i | CIN | L17222WB1963PLC025749 |
| ii | Registration Date | 04/02/63 |
| iii | Name of the Company | RSD Finance Limited |
| iv | Category/Sub-category of the Company | Public Company/ Limited By Shares |
| v | Address of the Registered office & contact details | 224, A J C Bose Road, Krishna Building, 9th Floor, Room no - 902, Kolkata, West Bengal - 700 017 |
| vi | Whether listed company | Yes |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | S K Infosolutions Pvt Ltd, 34/1A, Sudhir Chatterjee Street Kolkata - 700 006 Contact No. - +91 9830070123 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| | | | |
| 1 | Other Investing & Financing Activities | 6499-64990 | 100% |
| 2 | Trusts, Funds and Other Financial Vehicles | 6430-64300 | |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|--------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Precision Automotive Pvt. Ltd. | U35900MH2005PTC155749 | SUBSIDIARY | 100% | 2(87) |
| 2 | S R P Oil Pvt. Ltd. | U23209DL1996PTC303594 | SUBSIDIARY | 52.55% | 2(87) |

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year | |
|---|---|----------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|---------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/HUF | 1088500 | 2967040 | 4055540 | 62.65% | 4058520 | 0 | 4058520 | 62.70% | 2980 | 0.05% |
| b) Central Govt.or State Govt. | | | | | | | | | | |
| c) Bodies Corporates | | | | | | | | | | |
| d) Bank/FI | | | | | | | | | | |
| e) Any other | 145000 | 646000 | 791000 | 12.22% | 791000 | 0 | 791000 | 12.22% | 0 | 0.00% |
| SUB TOTAL:-(A) (1) | 1233500 | 3613040 | 4846540 | 74.87% | 4849520 | 0 | 4849520 | 74.92% | 2980 | 0.05% |
| (2) Foreign | | | | | | | | | | |
| a) NRI- Individuals | | | | | | | | | | |
| b) Other Individuals | | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | | |
| d) Banks/FI | | | | | | | | | | |
| e) Any other... | | | | | | | | | | |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter (A)= (A) (1)+(A) (2) | 1233500 | 3613040 | 4846540 | 74.87% | 4849520 | 0 | 4849520 | 74.92% | 2980 | 0.05% |
| | | | | | | | | | | |
| B. PUBLIC SHAREHOLDING | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | | |
| b) Banks/FI | | | | | | | | | | |
| c) Central govt | | | | | | | | | | |
| d) State Govt. | | | | | | | | | | |
| e) Venture Capital Fund | | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | | |
| g) FIIS | | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | | |
| i) Others (specify) | | | | | | | | | | |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (2) Non Institutions | | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | | |
| i) Indian | 400 | 434400 | 434800 | 6.72% | 661600 | 348990 | 1010590 | 15.61% | 575790 | 8.89% |
| ii) Overseas | | | | | | | | | | |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | 11500 | 749880 | 761380 | 11.76% | 13800 | 238700 | 252500 | 3.90% | (508880) | -7.86% |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | NIL | 430520 | 430520 | 6.65% | 183530 | 177100 | 360630 | 5.57% | (69890) | -1.08% |
| c) Others (specify) | | | | | | | | | | |
| Body Corpotrate | | | | | | | | | | |
| SUB TOTAL (B)(2): | 11900 | 1614800 | 1626700 | 25.13% | 858930 | 764790 | 1623720 | 25.08% | (2980) | -0.05% |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 11900 | 1614800 | 1626700 | 25.13% | 858930 | 764790 | 1623720 | 25.08% | (2980) | -0.05% |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | | |
| | | | | | | | | | | |
| Grand Total (A+B+C) | 1245400 | 5227840 | 6473240 | 100% | 5708450 | 764790 | 6473240 | 100% | 0 | 0.00% |

(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|--------------------|---|----------------------------------|-----------------------------------|-------------------------------------|----------------------------------|--------------------------------|---|
| | | NO of shares | % of total shares of the company | % of shares pledged encumbered to | NO of shares | % of total shares of the company | % of shares pledged encumbered | |
| 1 | Rajeev Singh Dugal | 4044540 | 62.48% | NIL | 4044540 | 62.48% | NIL | 0.00% |
| 2 | Kashvi Dugal | 11000 | 0.17% | NIL | 13980 | 0.22% | NIL | 0.05% |
| 3 | K U Benefit Trust | 791000 | 12.22% | NIL | 791000 | 12.22% | NIL | 0.00% |
| | Total | 4846540 | 74.87% | NIL | 4849520 | 74.92% | NIL | 0.05% |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

| Sl. No. | | Share holding at the beginning of the Year | | |
|---------|---|--|----------------------------------|--|
| | | No. of Shares | % of total shares of the company | |
| | At the beginning of the year | 4846540 | 74.87% | |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc) | 2980 | 0.05% | Ms. Kashvi Dugal, one of the Promoter of the Company purchased 2980 shares on 14.08.2015 |
| | At the end of the year | 4849520 | 74.92% | |

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

| S.No. | Name of the Shareholder | Shareholding at the beginning of | | Transactions during the Year | | Shareholding at the end of the year | |
|-------|------------------------------------|----------------------------------|----------------------------------|------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Mrigaya Tieup P Ltd | 312500 | 4.83% | - | - | 312500 | 4.83% |
| 2 | Manjeet Singh* | 143990 | 2.22% | (143990) | -2.22% | - | - |
| 3 | Sunil Kumar Churiwala* | 100000 | 1.54% | (100000) | -1.54% | - | - |
| 4 | Bimal Kumar Agarwal* | 91500 | 1.41% | (91500) | -1.41% | - | - |
| 5 | G L Debuka Commercials Ltd.* | 64000 | 0.99% | (64000) | -0.99% | - | - |
| 6 | Harpal Singh* | 95030 | 1.47% | (95030) | -1.47% | - | - |
| 7 | Harjeet Kaur* | 5000 | 0.08% | (5000) | -0.08% | - | - |
| 8 | Gopal Agarwalla Pvt. Ltd.* | 4700 | 0.07% | (4700) | -0.07% | - | - |
| 9 | Pradeep Agarwal* | 4500 | 0.07% | (4500) | -0.07% | - | - |
| 10 | Lumens (India) Pvt. Ltd* | 4000 | 0.06% | (4000) | -0.06% | - | - |
| 11 | Narsingh Agro Industries LLP | - | - | 255000 | 3.94% | 255000 | 3.94% |
| 12 | Vintage Tradelinks Private Limited | 48700 | 0.75% | 150000 | 2.32% | 198700 | 3.07% |
| 13 | Arkaya Agrodeal LLP | - | - | 243990 | 3.77% | 243990 | 3.77% |
| 14 | Tara Khawala | - | - | 101030 | 1.56% | 101030 | 1.56% |
| 15 | Jayesh Taunk | - | - | 75000 | 1.16% | 75000 | 1.16% |
| 16 | Jyoti Bhatia | - | - | 52100 | 0.80% | 52100 | 0.80% |
| 17 | Geeta Jayesh Taunk | - | - | 50000 | 0.77% | 50000 | 0.77% |
| 18 | Srawan Khawala | 4000 | 0.06% | - | - | 4000 | 0.06% |
| 19 | Gyan Chand Mehta | 2500 | 0.04% | - | - | 2500 | 0.04% |

* Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2015.

Figures in bracket signify the sales made during the year.

(v) **Shareholding of Directors & KMP**

| Sl. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---|---|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | | | | |
| | i) Rajeev Singh Dugal | 4044540 | 62.48% | | |
| | ii) Sushil Kumar Khowala | NIL | NIL | | |
| | iii)Roop Narayan Choudhary | NIL | NIL | | |
| 2 | Increase/decrease in Promoters Share holding during the year | | | | |
| | i) Rajeev Singh Dugal | | | NIL | NIL |
| | ii) Sushil Kumar Khowala (Addition) | | | 18000 | 0.28% |
| | iii)Roop Narayan Choudhary (Addition) | | | 64500 | 1.00% |
| 3 | At the end of the year | | | | |
| | Rajeev Singh Dugal | | | 4044540 | 62.48% |
| | Sushil Kumar Khowala | | | 18000 | 0.28% |
| | Roop Narayan Choudhary | | | 64500 | 1.00% |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
|--|-------------------------------------|---------------------|------------|-----------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount. | 35,206,873.00 | 3,940,930.00 | Nil | 39,147,803.00 |
| ii) Interest due but not paid. | 283,001.00 | 212,809.00 | Nil | 495,810.00 |
| iii) Interest accrued but not due. | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 35,489,874.00 | 4,153,739.00 | Nil | 39,643,613.00 |
| Change in Indebtedness during the financial year | | | | |
| Additions | Nil | Nil | Nil | Nil |
| Reduction | 869,793.00 | Nil | Nil | 869,793.00 |
| Net Change | 869,793.00 | Nil | Nil | 869,793.00 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 34,337,080.00 | 4,153,739.00 | Nil | 38,490,819.00 |
| ii) Interest due but not paid | 264,930.00 | 224,302.00 | Nil | 489,232.00 |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 34,602,010.00 | 4,378,041.00 | Nil | 38,980,051.00 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager |
|-------|--|----------------------------|
| | | RAJEEV SINGH DUGAL |
| 1 | Gross salary | 12,00,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | N.A. |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | N.A. |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | N.A. |
| 2 | Stock option | N.A. |
| 3 | Sweat Equity | N.A. |
| 4 | Commission | N.A. |
| | as % of profit | N.A. |
| | others (specify) | N.A. |
| 5 | Others, please specify | N.A. |
| | Total (A) | 12,00,000 |
| | Ceiling as per the Act | 5% OF THE NET PROFIT |

B. Remuneration to other directors:

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

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
|---------|--|-------------------------------------|---|-------------------|
| 1 | Gross Salary | CFO (Mr. Rechan Chhabra) | Company Secretary (Ms. Simi Sen) | Total |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 474,000.00 | 96,000.00 | 570,000.00 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | NA | NA | NA |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | NA | NA | NA |
| 2 | Stock Option | NA | NA | NA |
| 3 | Sweat Equity | NA | NA | NA |
| 4 | Commission | NA | NA | NA |
| | as % of profit | NA | NA | NA |
| | others, specify | NA | NA | NA |
| 5 | Others, please specify | NA | NA | NA |
| | | | | |
| | Total | 474,000.00 | 96,000.00 | 570,000.00 |

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

CORPORATE GOVERNANCE

Corporate Governance is the cornerstone of the modern market-oriented economy. Good Corporate Governance is a tool for building a strong and everlasting beneficial relationship with the customers, suppliers, bankers and more importantly with the investors.

Your Company believes that effective Corporate Governance practices constitute a strong foundation on which a successful commercial enterprise is built to last. The business objective of RSD Finance Limited and its management and employees is to provide services in such a way so as to create value that can be sustained over the long term for its consumers, shareholders, employees, business partners and the national economy. We are conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. The Company believes that its key decisions must serve the underlying goals of enhancing shareholders' value over a sustained period of time, and achieving the definite and measurable performance targets.

In addition to compliance with regulatory requirements, we ensure that highest standards of ethical and responsible conduct are met throughout the organisation. Corporate Governance is an ethically driven business process that is committed to values and conduct, aimed at enhancing an organization's wealth generating capacity.

The Board of Directors of the Company are pleased to present the Corporate Governance Report for the year ended 31st March, 2016.

BOARD OF DIRECTORS

There are five Directors on the Board of RSD Finance Limited, all having expertise in financial and services sector. As at 31st March, 2016, in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Board of Directors headed by Mr. Rajeev Singh Dugal, Managing Director comprised 4 other Directors, out of which 3 Directors are Independent and Non- Executive directors including a Women Director.

No Independent Director of the Company serves as a whole-time director of a listed Company.

Mr. Rajeev Singh Dugal was appointed as the Managing Director with effect from July 04, 2015 for a period of five consecutive years. The shareholders at the 52nd Annual General Meeting held on September 30, 2015 approved appointment of Mr. Roop Narayan Choudhary and

Mrs. Anureet Kaur. Mrs. Anureet Kaur was appointed as an Independent Directors for a term upto September 30, 2019. The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and terms and conditions of appointment have been disclosed on the website of the Company (<http://www.rsdfinancelimited.com>)

The names and categories of the Directors on the Board, their attendance at Board Meetings during the financial year and at the last Annual General Meeting, along with the number of Directorships and Committee Memberships held by them in other public companies are given below:

I. COMPOSITION AND CATEGORY OF THE BOARD OF DIRECTORS (AS ON 31.03.2016):

| NAME OF THE DIRECTOR | DIN | DESIGNATION | EXECUTIVE/NON-EXECUTIVE/INDEPENDENT |
|---|----------|-------------------|-------------------------------------|
| Mr. Rajeev Singh Dugal | 00052037 | Managing Director | Executive |
| Mr. Sushil Kumar Khowala | 00224539 | Director | Non-Executive Independent |
| Mr. Malkeet Singh Saini | 02592649 | Director | Non-Executive Independent |
| Mr. Abhishek Kauntia ¹ | 06646662 | Director | Non-Executive Independent |
| Mr. Roop Narayan Choudhary ² | 00583184 | Director | Non-Executive Non-Independent |
| Mrs. Anureet Kaur | 07136456 | Director | Non-Executive Independent |

II. COMPOSITION OF BOARD OF DIRECTORS AS ON 31.03.2016:

| CATEGORY | NO OF DIRECTORS | PERCENTAGE TO TOTAL NO. OF DIRECTORS |
|--------------------------------------|-----------------|--------------------------------------|
| Executive Directors | 1 | 20% |
| Non- Executive Independent Directors | 3 | 60% |
| Other Non-Executive Directors | 1 | 20% |
| Total | 5 | 100% |

¹ Mr. Abhishek Kauntia resigned from the Directorship w.e.f 05.10.2015

² Mr. Roop Narayan Choudhary was appointed on the Board on July 04, 2015

III. ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND AT THE FIFTY SECOND ANNUAL GENERAL MEETING:

| NAME OF DIRECTOR | NUMBER OF BOARD MEETINGS HELD | NUMBER OF BOARD MEETINGS ATTENDED | ATTENDANCE AT THE 52 nd AGM |
|--|-------------------------------------|--|--|
| Mr. Rajeev Singh Dugal | 18 | 18 | Present |
| Mr. Sushil Kumar Khowala | 18 | 18 | Present |
| Mr. Malkeet Singh Saini | 18 | 17 | Present |
| Mr. Abhishek Kauntia ¹ | 10 | 5 | Present |
| Mr. Roop Narayan Choudhary ² | 15 | 15 | Present |
| Mrs. Anureet Kaur | 18 | 18 | Present |

During the year, the Board met Eighteen times on 12.05.2015, 30.05.2015, 4.07.2015, 28.07.2015, 07.08.2015, 13.08.2015, 14.08.2015, 20.08.2015, 28.08.2015, 30.09.2015, 05.10.2015, 05.11.2015, 12.11.2015, 13.11.2015, 20.11.2015, 14.01.2016, 02.02.2016, 12.02.2016. The maximum gap between any two Board Meetings was less than 120 days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Regulation 17 of the Listing Regulations.

IV. NUMBER OF OTHER BOARDS OR OTHER BOARDS OR BOARD COMMITTEES IN WHICH HE/SHE IS A MEMBER OR CHAIRPERSON: (AS ON 31ST MARCH, 2016):

| NAME OF THE DIRECTOR | NO. OF DIRECTORSHIPS IN OTHER COMPANIES | NO. OF COMMITTEE MEMBERSHIPS IN OTHER COMPANIES | |
|--|--|--|--------|
| | | Chairman | Member |
| Mr. Rajeev Singh Dugal | 2 | Nil | Nil |
| Mr. Sushil Kumar Khowala | 4 | Nil | Nil |
| Mr. Malkeet Singh Saini | Nil | Nil | Nil |
| Mr. Abhishek Kauntia ¹ | Nil | Nil | Nil |
| Mr. Roop Narayan Choudhary ² | 1 | Nil | Nil |
| Mrs. Anureet Kaur | Nil | Nil | Nil |

¹ Mr. Abhishek Kauntia resigned from the Directorship w.e.f 05.10.2015

² Mr. Roop Narayan Choudhary was appointed on the Board on July 04, 2015

Notes: For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies (which are not subsidiaries), foreign companies and companies registered under section 8 of the Companies Act, 2013/section 25 of the Companies Act, 1956 have been excluded. Only audit committee and stakeholders relationship committee are considered for the purpose of reckoning committee positions.

None of the directors hold office as a director, including as an alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 public companies.

None of the directors serve as an independent director in more than 7 listed companies or in more than 3 listed companies in case he is a whole time director in any listed company.

None of the directors is neither a member in more than 10 committees nor a chairman in more than 5 committees across all public limited companies in which he is a director

None of the Non-Executive Directors of the Company has any pecuniary relationships or transactions with the Company.

SHARES HELD BY NON- EXECUTIVE DIRECTORS:

Mr. Sushil Kumar Khowala - 18000

Mr. Roop Narayan Choudhary - 64500

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met on 29th March, 2016. The meeting has inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole, performance of the Managing Director and assessed the quality, quantity, timeliness of flow of information from the management to the Board of Directors. The Independent Directors found the performance of Non-Independent Directors and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarises its Independent Directors with the Company, its visions, strategic direction, core values, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other

initiatives to update the Directors on a continuing basis. Further at the time of appointment of an Independent Director the Board issues a formal letter of Appointment setting out in detail, the terms of appointment, roles, responsibilities and expected time commitments. The format of letter of appointment and the details of the familiarisation programme is available in the website at: <http://www.rsdfinancelimited.com>.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has in place a Code of Conduct for Directors and Senior Management. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit.

A copy of the Code has been uploaded on the Company's website (www.rsdfinancelimited.com).

All Board members and senior management personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct.

COMMITTEES OF THE BOARD:

The Company has developed all the necessary Committees of the Board namely:

- a. Audit Committee;
- b. Nomination & Remuneration Committee;
- c. Stakeholders Relationship Committee/ Shareholders Grievances Committee;
- d. Risk Management Committee

The constitution, terms of reference and the functioning of the above mentioned Committees of the Board is explained herein.

The Board is responsible for assigning & fixing the terms of service for the members of the Committee. It reviews the functioning of these committees from time to time. The Chairman of these Committees conducts the Meetings and also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors and tabled at the respective Board / Committee Meetings.

a) AUDIT COMMITTEE

- i. The Audit Committee of the Board consists of three Directors. Majority members of Audit Committee are Non-Executive Independent Directors. The Chairman of the Audit Committee is Mr. Sushil Kumar Khowala. The other members of the Audit Committee are Mr. Rajeev Singh Dugal and Mr. Malkeet Singh Saini. The audit committee met prior to the finalization of the accounts for the year ended 31st March, 2016.
- ii. The Audit Committee works in accordance with the Broad terms of reference specified by the Board of Directors in adherence to Section 177 of the Companies Act, 2013("the Act")
- iii. The scope of activities of the Audit committee includes the areas laid out in Section 177 of the Act and Part C of Schedule II of SEBI Regulations, 2015
- iv. During the year four Audit Committee meetings were held on 30.05.2015, 13.08.2015, 13.11.2015 and 12.02.2016 and the time gap between two meetings were less than one hundred and twenty days.
- v. The Audit committee met on 30.05.2016 and reviewed the annual Accounts of the Company for the year ended March 31, 2016 before recommending the same to the Directors. The audit committee had also periodically reviewed the un-audited Quarterly results before recommending the same to the Board of Directors for their adoption and publication.
- vi. The composition of Committee during the financial year and the number of meetings attended by each of the directors are given below:

| Name of the Director | Designation | Number of Meetings | |
|----------------------|-------------|--------------------|----------|
| | | Held | Attended |
| Sushil Kumar Khowala | Chairman | 4 | 4 |
| Rajeev Singh Dugal | Member | 4 | 4 |
| Malkeet Singh Saini | Member | 4 | 4 |

- vii. All the members of the committee have accounting or related financial management expertise.
- viii. The chairman of the Audit Committee, Mr. Sushil Kumar Khowala was present in the last Annual general Meeting held on 30.09.2015. The Chief Financial Officer and Statutory Auditors were present in some Audit committee meetings as invitees.
- ix. The Company Secretary is the Secretary to the Audit Committee and was present at all meetings held since the date of her appointment as a Company Secretary.

b) NOMINATION & REMUNERATION COMMITTEE:

- i. The Nomination Remuneration Committee comprises of Mr. Malkeet Singh Saini, Independent Non-Executive Director as Chairman of the Committee, Mr. Sushil Kumar Khowala and Ms. Anureet Kaur are the members of the Committee. Mr. Abhishek Kauntia ceased to be member of the Committee upon relinquishment of his Office as a Director of the Company with effect from 5th October, 2015. Ms. Anureet Kaur was appointed as the member of the committee with effect from November 13, 2015. The Company Secretary is the Secretary of the Committee.
- ii. The role of NRC includes the areas laid out in Section 178 of the Act and Part D of Schedule II of the SEBI Regulations, 2015.
- iii. During the year ended 31st March, 2016, one Nomination & Remuneration Committee meeting was held on 04.07.2015. The attendance of Committee member is given hereunder:-

| Name of the Director | Designation | Number of Meetings | |
|--------------------------|-------------|--------------------|----------|
| | | Held | Attended |
| Mr. Malkeet Singh Saini | Chairman | 1 | 1 |
| Mr. Sushil Kumar Khowala | Member | 1 | 1 |
| Mr. Abhishek Kauntia | Member | 1 | 1 |
| Ms. Anureet Kaur | Member | 0 | 0 |

Mr. Malkeet Singh Saini, Chairman of the Nomination and Remuneration Committee, was present at the annual general meeting of the Company held on 30 September 2015 to answer members' queries.

REMUNERATION POLICY OF DIRECTORS FOR THE FINANCIAL YEAR 2015-2016.

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice. The Managing Director is paid remuneration as per the terms duly approved by the Nomination and Remuneration Committee, the Board of Directors and the Members in General Meeting. The aggregate remuneration paid for the year ended 31st March, 2016 to Mr. Rajeev Singh Dugal is Rs. 12,00,000. The above remuneration excludes provision for gratuity and unencashed leave since these are based on actuarial valuation done on an overall company basis.

No Sitting fee was paid to Non-Executive Directors for the year ended 31st March, 2016.

The criteria for evaluation of the performance of the Board and the Independent Director of the company is given in the Director's Report.

c) THE STAKEHOLDER RELATIONSHIP COMMITTEE:

i. The Stakeholders Relationship Committee of the Board, comprises two Independent Directors, namely Mr. Sushil Kumar Khawala and Mr. Malkeet Singh Saini and one Executive Director namely Mr. Rajeev Singh Dugal. The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 20 of the Listing Regulations

ii. The role of SRC includes the areas laid out in Section 178 of the Act and Part D of Schedule II of the SEBI Regulations, 2015

iii. During the year four Grievances committee meeting were held on 30.05.2015, 13.08.2015, 13.11.2015 and 12.02.2016. The attendance of each meeting is given hereunder:

| NAME OF THE DIRECTOR | DESIGNATION | NUMBER OF MEETINGS HELD DURING THE YEAR | NUMBER OF MEETINGS ATTENDED DURING THE YEAR |
|--------------------------|-------------|---|---|
| Mr. Sushil Kumar Khowala | Chairman | 4 | 4 |
| Mr. Rajeev Singh Dugal | Member | 4 | 4 |
| Mr. Malkeet Singh Saini | Member | 4 | 4 |

Mr. Sushil Kumar Khowala, Chairman of the Stakeholders Relationship Committee, was present at the annual general meeting of the Company held on 30 September, 2015 to answer members' queries.

Ms. Puja Choudhary, Company Secretary of the Company has been appointed as the Compliance Officer of the company wef June 01, 2016.

The Details of Shareholders Grievances received and attended during FY 2015-16 were as follows:

- a) Number of pending complaints as on 01.04.2015 – 0
- b) Number of complaints received during the year ended 31.03.2016 – 4
- c) Number of complaints disposed off during the year ended 31.03.2016 – 4
- d) Number of complaints not solved to the satisfaction of the shareholders during the year ended 31.03.2016 – 0
- e) Number of complaints pending as at 31.03.2016 – 0

The Company has acted upon all valid requests for share transfer received during 2015-16 and no such transfer is pending.

d) **RISK MANAGEMENT COMMITTEE**

- i. The Risk Management Committee of the Board, comprises of three Directors, namely Mr. Malkeet Singh Saini, Independent Non-Executive Director, Chairman of the Committee, Mr. Sushil Kumar Khowala and Mr. Roop Narayan Choudhary, members of the Committee. Mr. Abhishek Kauntia ceased to be member of the Committee upon relinquishment of his Office as a Director of the Company with effect from 5th October, 2015. Mr. Roop Narayan Choudhary was appointed as the member of the committee with effect from November 13, 2015.

- ii. The Company Secretary is the Secretary of the Committee.
- iii. The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of the Listing Regulations and includes monitoring and review of risk management plan on a periodic basis and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.
- iv. During the year one risk management committee meeting. The composition of the Committee during the financial year and the number of meetings attended by each of the Directors are given below:

| Name of the Director | Designation | Number of Meetings | |
|----------------------------|-------------|--------------------|----------|
| | | Held | Attended |
| Mr. Malkeet Singh Saini | Chairman | 1 | 1 |
| Mr. Sushil Kumar Khowala | Member | 1 | 1 |
| Mr. Abhishek Kauntia | Member | 1 | 1 |
| Mr. Roop Narayan Choudhary | Member | 1 | 1 |

RECONCILIATION OF SHARE CAPITAL AUDIT:

In line with the requirements stipulated by Securities Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares in National Securities Depository Limited (NSDL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

GENERAL BODY MEETINGS

Location and time where last 3 AGM were held:

| DATE | AGM/ EGM | LOCATION | DATE | TIME | NO. OF SPECIAL RESOLUTION |
|---------|-------------|--|------------|---------|---------------------------------|
| 2012-13 | AGM | 224, AJC Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata 700 017 | 30.09.2013 | 11.00AM | 0 |
| 2013-14 | AGM | 224, AJC Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata 700 017 | 30.09.2014 | 11.00AM | 1 |
| 2014-15 | AGM | 224, AJC Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata 700 017 | 30.09.2015 | 11.00AM | 0 |

No Special Resolution was passed through Postal Ballot in the last year nor is any Special Resolution proposed to be passed through postal ballot.

DISCLOSURES**a) RELATED PARTY TRANSACTIONS**

There are no materially significant related party transactions with the Promoters, Directors or the Management, their subsidiaries or the relatives, etc. that may have a potential conflict with the interest of the Company at large. However all related party transactions have been reported and forms part of notes to accounts of the Balance Sheet.

The Company has adopted a policy for dealing with the related party transactions and the same has been disclosed at <http://www.rsdfinancelimited.com/pdf/59b8f6ba-e0cb-4140-9b2e-94879c69e565.pdf>

b) NON-COMPLIANCE BY THE COMPANY

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority. All reports/ returns have been filed within the stipulated time with the Stock Exchange/ regulatory authorities.

c) DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

d) VILGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism/ Whistle-Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Facility is available to the Director(s)/Employee(s), who can report to the management, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Company's Code of Conduct. The Code provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

During the year under review, no employee was denied access to the Audit Committee.

e) COMPLIANCE OF CLAUSE 49 OF LISTING AGREEMENT AND REGULATION 27 OF SEBI (LODR) REGULATIONS, 2015

The Company has complied with the mandatory requirements of Clause 49 of Listing Agreement and Regulation 27 of SEBI (LODR) Regulations, 2015.

f) NON- MANDATORY REQUIREMENTS:

The Company has complied with all mandatory requirements of the Listing Regulations. The Company has adopted the following non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the Listing Regulations:.

(a) Modified opinion(s) in audit report

It has always been the Company's endeavor to present financial statements with unmodified audit opinion. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the year ended 31st March, 2016.

(b) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

g) POLICY FOR DETERMINATION OF A MATERIAL SUBSIDIARY

The Policy may be accessed on the Company's website <http://www.rsdfinancelimited.com/pdf/c8cfc029-7a55-47ec-b6f9-526d809e4dc0.pdf>

- h)** The management has informed the Board in accordance with Regulation 26(5) of SEBI Regulation, 2015 that they are not having any personal interest in any material, financial and commercial transactions of the Company that may have potential conflict with the interest of the Company at large.
- i)** The Managing Director and the Chief Financial Officer of the Company have given the necessary certificates as required under Regulation 17(8) of the SEBI Regulations, 2015.
- j)** None of the Non- Executive directors have any pecuniary relationship or transactions with the Company.

MEANS OF COMMUNICATION

- a) Quarterly results:** The Company's quarterly / half yearly/ annual financial results are sent to the Stock Exchanges and published in 'Echo of India', 'Business Standards' and 'Arthik Lippi' and are simultaneously displayed on its website (www.rsdfinancelimited.com)

- b) **Media Releases:** Official media releases are sent to Stock Exchanges and are displayed on the Company's website (www.rsdfinanacelimited.com)
- c) **Website:** The Company's website (www.rsdfinanacelimited.com) contains a separate dedicated section "Investor Relations" where shareholders' information is available. The Company's Annual Report is also available in a downloadable form.
- d) **Annual Report:** The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statement, if applicable, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report.

The Annual Report is displayed on the Company's website (www.rsdfinanacelimited.com)

- e) **BSE Corporate Compliance & Listing Centre (the "Listing Centre"):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints among others, are also filed electronically on the Listing Centre.
- f) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system.

The salient features of this system are:

Centralised database of all complaints, online upload of Action Taken Reports(ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- g) **Designated Exclusive email-id:** The Company has designated the following email-id exclusively for investor servicing: complianceofficer@rsdfinancelimited.com.

GENERAL SHAREHOLDER INFORMATION

- a) **Company Registration Details:** The Company is registered in the State of West Bengal, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17222WB1963PLC025749.

b) Annual General Meeting :

Date : 24th September, 2016

Day : Saturday

Time : 2:30 PM

Venue : 224, AJC Bose Road, Krishna Building, 9th floor, Room No – 902,
Kolkata – 700 017

c) Financial Year

1st April, 2015 - 31st March, 2016

d) Financial Calendar (tentative) Results for the quarter ending:

1st Quarter ended results : on or before 14th August

2nd Quarter & half year ended results : on or before 14th November

3rd Quarter ended results : on or before 14th February

Annual Results : on or before 30th May

e) Book Closure Period

Saturday, 17th September, 2016 to 24th September, 2016 (both days inclusive)

No Dividend **has** been declared.

f) Listing on Stock Exchange & Stock Code

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001.

Scrip Code : 539875

Calcutta Stock Exchange Limited (CSE)

7, Lyons Range, Kolkata – 700 001

Scrip Code : 28123

g) ISIN of the Company : INE616F01014

h) Payment of Listing Fees Annual listing fee for the year 2016-17 has been paid by the Company to BSE and CSE. **Payment of Depository Fees** Annual Custody / Issuer fee for the year 2016-17 has been paid by the Company to NSDL and CDSL.

i) **Stock Market Price Data**

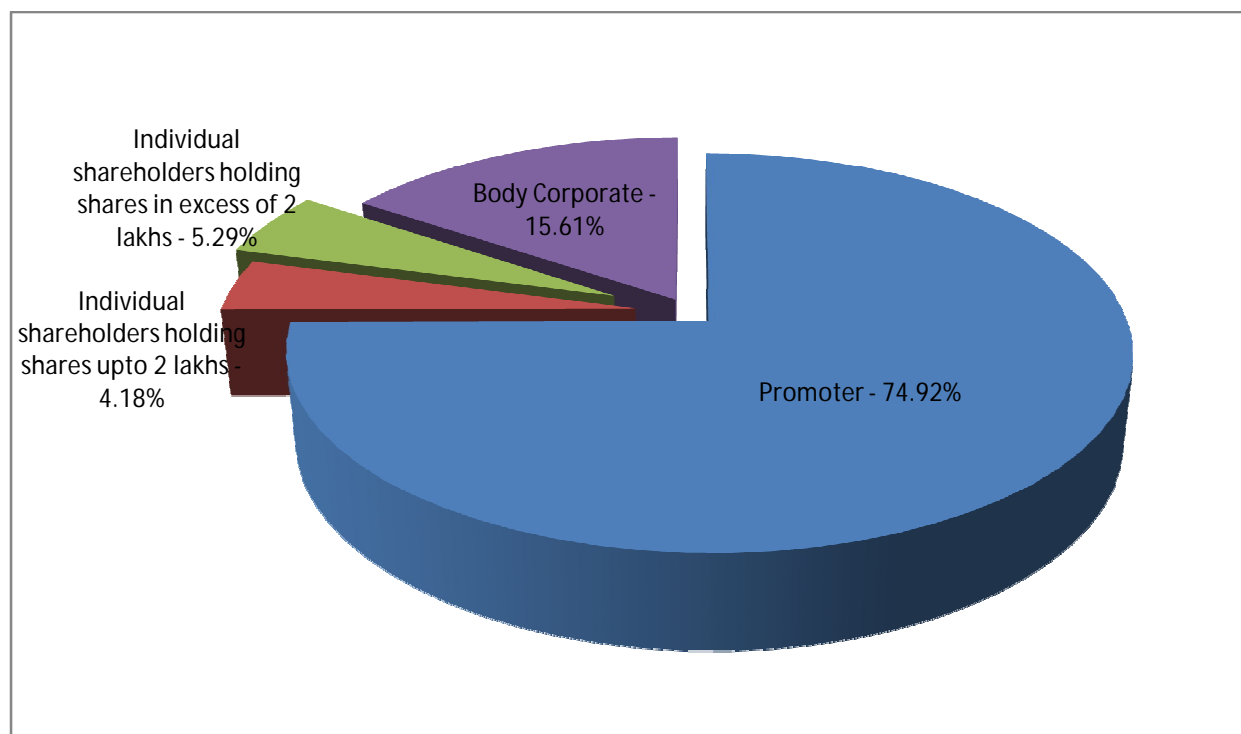
| Month | CSE Limited (CSE) | | | |
|------------------|--------------------|-------------------|-------------------------|---------------|
| | Month's High Price | Month's Low Price | Volume of Shares Traded | No. of Trades |
| April – 2015 | 0 | 0 | 0 | 0 |
| May – 2015 | 0 | 0 | 0 | 0 |
| June – 2015 | 0 | 0 | 0 | 0 |
| July – 2015 | 0 | 0 | 0 | 0 |
| August – 2015 | 0 | 0 | 0 | 0 |
| September – 2015 | 0 | 0 | 0 | 0 |
| October – 2015 | 0 | 0 | 0 | 0 |
| November – 2015 | 0 | 0 | 0 | 0 |
| December – 2015 | 0 | 0 | 0 | 0 |
| January – 2016 | 0 | 0 | 0 | 0 |
| February – 2016 | 0 | 0 | 0 | 0 |
| March – 2016 | 0 | 0 | 0 | 0 |

[The company got listed and the trading approval in Bombay Stock Exchange on May 13, 2016]

j) **SHAREHOLDING PATTERN**

The Shareholding Distribution of Equity Shares is as follows:

| No of Shares Slab | No of Shareholders | % to total no of holders | Total shares | % to Total Shares |
|-------------------|--------------------|--------------------------|----------------|-------------------|
| 1 – 500 | 595 | 80.08% | 145400 | 2.25% |
| 501 – 1000 | 117 | 15.75% | 70600 | 1.09% |
| 1001 – 2000 | 6 | 0.81% | 10400 | 0.16% |
| 2001 – 3000 | 9 | 1.21% | 22500 | 0.35% |
| 3001 – 4000 | 1 | 0.13% | 4000 | 0.06% |
| 4001 – 5000 | 0 | 0.00% | 0 | 0.00% |
| 5001 – 10000 | 0 | 0.00% | 0 | 0.00% |
| 10001 & Above | 15 | 2.02% | 6220340 | 96.09% |
| TOTAL | 743 | 100.00% | 6473240 | 100.00% |

THE SHAREHOLDING PATTERN OF THE COMPANY AS ON MARCH, 31, 2016

SHARE TRANSFER

Share transfers are processed and share certificates duly endorsed are dispatched within a period of fifteen working days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's shares to the Stakeholders Relationship Committee. A summary of transfer / transmission of shares of the Company so approved by the Committee is placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with respect to issue of share certificates as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges.

The above report was placed before and approved by the Board at its meeting held on **30.05.2015**

DEMATERIALISATION OF SHARES

| Mode of Holding | No. of shares | % of Share Capital |
|------------------------|----------------------|---------------------------|
| Electronic – NSDL | 5558450 | 85.87% |
| Electronic – CDSL | 150000 | 2.32% |
| Physical | 764790 | 11.81% |
| Total | 6473240 | 100% |

OUTSTANDING GDRS / WARRANTS AND CONVERTIBLE INSTRUMENTS

The Company has not issued any GDRs / Warrants or any other instrument, which is convertible into Equity Shares of the Company.

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The nature of business of the Company does not involve any risks/require hedging activities.

PLANT LOCATION:

NS-13, 2nd Phase,

Industrial Area

Adityapur, Jamshedpur – 831001

ADDRESS FOR CORRESPONDENCE FOR SHARE TRANSFER & RELATED MATTER

M/S S. K. Infosolutions Pvt Ltd

34/1A, Sudhir Chatterjee Street
Kolkata – 700 006
Tel. No – (033) 2219-4815

REGISTERED OFFICE

224, AJC Bose Road
Room No -902, 9th Floor,
Krishna Building
Kolkata, West Bengal – 700 017

ADMINISTRATIVE OFFICE

C/o The Alcor Hotel
Opposite Indian Oil Petrol Pump
Ramdas Bhatta
Bistupur, Jamshedpur,
Jharkhand – 831001

MD AND CFO CERTIFICATION

To,

The Board of Directors
RSD Finance Limited

1. We have reviewed financial statements and the cash flow statement of RSD Finance Limited for the year ended 31st March, 2016 and that to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and Fairview of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across and are not aware of any reportable deficiencies in the design or operation of such internal controls.

4 We have indicated to the Auditors and the Audit Committee:

- (a) that there are no significant changes in internal control over financial reporting during the year;
- (b) that there are no significant changes in accounting policies during the year; and
- (c) that there are no instances of significant fraud of which we have become aware.

Sd/-
RAJEEV SINGH DUGAL
Managing Director

Sd/-
RECHAN CHHABRA
Chief Financial Officer

Jamshedpur
May 30, 2016

CERTIFICATE

To,

The Members of RSD Finance Limited

Sub: Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I confirm that the Company has received from the members of the Board and Senior Management team of the Company, declarations of compliance with the Code of Conduct as applicable to them during the financial year ended 31st March, 2016.

Place : Jamshedpur

Date : August 11, 2016

Sd/-

Rajeev Singh Dugal

Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. OVERVIEW

The Management Discussion and Analysis Report (MDA) is an integrated part of Company's annual financial statements. The purpose of the MDA is to provide a narrative explanation, through the eyes of management, of how the Company has performed in the past, its financial condition, and its future prospects. This report contains a description of the year gone by and some of the key factors that influenced the business of the Company during the year, as well as a fair and unbiased overview of the Company's past, present, and future. There are forward looking statements mentioned in this report which may involve risks and uncertainties, including but not limited to the risk inherent to the Company's growth strategy, change in regulatory norms, economic conditions and other incidental factors. Actual results could differ materially from those expressed or implied.

2. GLOBAL ECONOMY

The world economy stumbled in 2015, amid weak aggregate demand, falling commodity prices and increasing financial market volatility in major economies. The world economy is projected to grow by 3.4 per cent in 2016 and 3.6 per cent in 2017. The growth rates of gross fixed capital formation and aggregate demand continue to remain subdued. The pickup in the global economy is projected to be more gradual especially in emerging market and developing economies.

In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. Growth in China is expected to slow to 6.3 percent in 2016 and 6.0 percent in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, although with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness.

3. INDIAN ECONOMY

The world economy remained sluggish and weak in general. India was the only large economy showing good growth. The country's growth has led to a rise in financing needs. NBFCs have played a major role in complementing banks and other financial institutions, and help fill the gaps in availability of financial services with respect to products as well as customer and geographical segments. Banking and NBFC sectors have, however, had a challenging phase as certain industrial sectors suffered a downturn.

Indian economy is the seventh largest in the world by nominal GDP and the third largest by Purchasing Power Parity (PPP). India's economy became the world's 4th fastest growing major economy from the last quarter of 2014 onwards. As per IMF World Economic Outlook, April 2016. The fact that India will take over China as fastest growing economy is well acknowledged. India topped the World Bank's growth outlook during the FY 2015 - 2016 for the first time as the economy has grown 7.65% during the financial year and is expected to grow 7.6% in the FY 2016 - 2017 due to improvement in the performance of both services as well as manufacturing sectors.

In the middle of 2015, the global stock market rout, India also witnessed a sharp fall in stock markets and the rupee weakened. It was repeated again in January, 2016. According to its latest Global Economic Prospect report which is released bi-annually, the World Bank reduced India's growth rate by a slight 0.2% in 2015 and 0.1% in both 2016 and 2017. However, India remains in the bright spot of the global economy.

As the GST has been passed in the parliament and the new tax regime is expected to put in place from April 1, 2017 which is a "single biggest tax reform since independence." The Goods and Services tax is expected to be the biggest indirect tax reform since 1947 and it has potential to lead the economic integration of India.

4. INDUSTRY STRUCTURE

NBFCs have been regarded as an important financial intermediary particularly for the small scale & retail sectors. There are 2 broad categories of NBFCs based on if they accept public deposit, namely deposit taking NBFC (NBFC-D) and non-deposit taking NBFC (NBFC-ND). NBFCs play a very important role both from Macro-economic perspective and structure of Indian financial system. They are emerging as an alternative to the mainstream banking.

Besides, they are increasingly playing a critical role in making financial services accessible to wider set of India's population and, thus, emerging as significant players in the retail finance space.

Over the years NBFC sector has become a crucial part of the financial services sector. India Ratings expects NBFCs to account for over 17% of the total credit in the country by FY2019, compared to 13.1% at the end of the FY2015 and 9.4% in the FY2006. Until some years ago, NBFCs were a small part of the financial services business with a small resource base. Today, the equity of leading NBFCs is comparable with or larger than many mid-sized banks. The combined market capitalisation of the top 10 NBFCs is now twice that of mid and small-sized public sector banks.

5. OUTLOOK OF NBFCs

The growth rate of the industry is itself sufficient to indicate the impact of the industry in the financial sector. The sector has been dynamically evolving over period of time and has been witnessing constant regulatory changes. RBI has recognized the impact that the NBFCs have on the society at large and have been constantly implementing new policies for tighter controls and providing new avenues for growth.

The Union Budget for 2016–17 announced that NBFCs registered with the RBI with an asset size in excess of 500 crores or more be considered as 'financial institutions' in terms of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, now creates a level playing field with the banks and also improve NBFCs' ability to make recoveries from immovable asset financing.

The gap in regulation with reference to provisioning norms between banks and NBFCs are progressively getting narrowed and NBFC norms would be fully aligned with banks by FY18. This would make the sector more attractive from the investor perspective.

6. OPPORTUNITIES & THREATS

As detailed in the Budget 2016, NBFCs shall be eligible for deduction to the extent of 5% of its income in respect of provision for bad and doubtful debts (NPAs). It is proposed to provide additional options to Banking Companies and Financial Institutions, including NBFCs, for reversal of input tax credits with respect to non taxable services provided by them by way of extending deposits, loans and advances w.e.f. 1st April, 2016.

According to domestic credit rating agency, ICRA, NBFC could witness some hardening incremental funding cost in H2 – 16 with tightening of prudential investment limits of mutual fund.

The Company faces stiff competition from Banks and other NBFCs operating in similar areas of business and challenges from regulatory changes in the NBFC and ancillary sectors. However, the Company has been able to continue to expand its business.

7. FINANCIAL PERFORMANCE

On standalone basis, total income of your Company during the year was Rs. 578.95 lakhs (Previous year Rs. 436.82 lakhs). Profit before Tax for the year was Rs.289.00 lakhs (Previous year Profit before tax of Rs.237.15 lakhs). Profit after Tax for the year was Rs. 260.33 lakhs (Previous year loss after tax of Rs. 213.29 lakhs).

On consolidated basis, total income of your Company during the year was Rs. 4637.89 lakhs, (Previous year Rs. 3018.33 lakhs). Profit before Tax for the year was Rs. 1,360.24 lakhs (Previous year Loss before tax of Rs. 649.74 lakhs). Loss after Tax & minority interest for the year was Rs. 996.78 lakhs (Previous year Loss after Tax & minority interest of Rs. 470.76 lakhs).

8. SEGMENT-WISE PERFORMANCE

The Financial Service segment has posted a revenue of Rs. 1578.85 lakhs (Previous Year Rs. 1021.93 lakhs), Job Work segment has posted a revenue of Rs. 1533.56 lakhs (Previous Year Rs. 2018.21 lakhs), Hotel segment has posted a revenue of Rs. 1525.48 lakhs (Previous Year Not Applicable as M/s SRP OIL PVT LTD become our subsidiary during the current financial Year) including inter segmental revenue of Rs. 24.83 Lakhs.

On a standalone basis, the Financial Service segment posted segmental revenue of Rs. 502.52 lakhs (Previous Year revenue of Rs. 380.83 lakhs). The Job Work segment has recorded a profit of Rs. 76.43 lakhs (Previous Year profit of Rs. 55.99 lakhs). The Profit of the Company after deducting Interest and other unallocable expenditure/ income from the segmental results, has been Rs. 3649.77 lakhs (Previous Year Rs. 3386.94 lakhs).

The Company operates primarily in India; hence there is no other significant geographical segment that requires disclosure.

9. RISKS AND CONCERNS

The Company is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit risk and market risk. The Company is mainly exposed to market risks in the form of reduction in the value of its investment and fall in return due to dip in the investee company's performance.

Further, change in regulatory requirements for NBFCs from time to time, can have a bearing on the running of the Company. The overall economic fluctuations/ slowdown and its impact on service sector are also a cause of concern.

The company is aware of the need to better understand, anticipate, evaluate and mitigate risks in order to minimize its impact on business. The Company has put in place a Risk Management Policy to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed.

10. INTERNAL CONTROL SYSTEM

Effective internal controls are necessary for building up an efficient organization. Your Company has in place, an adequate internal control and internal audit system managed by qualified and experienced people to ensure various compliances under statutory regulations and corporate policies are made on time and to figure out the weaknesses persisting in the system and suggest remedial measure for the same.

The Audit Committee also met the Company's statutory auditors to ascertain their views on the adequacy of internal controls and their observations on the financial reports.

11. HUMAN RESOURCES MANAGEMENT

The company always regards human resources as its most valuable asset and ensures friendly work environment that encourages initiatives by individuals and recognizes their performance.

To maintain competency and to improve the analytical abilities of employees for gearing them to face challenges, proper training and development is imparted by the Company before the employee takes up any responsibility. Our Company has always valued its employees whose dedication and contribution have helped us to reach the levels of excellence and rewarded them appropriately during the appraisal.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CERTIFICATE ON COMPLIANCE FROM THE CHARTERED ACCOUNTANT

Certificate of the Statutory Auditors has been obtained on the compliance of conditions of the Corporate Governance under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Requirements) Regulations 2015 and the same is annexed.

To
The Members of
RSD Finance Limited
Kolkata

We have examined the compliance of the conditions of Corporate Governance by RSD Finance Limited ("the Company") for the year ended 31st March, 2016 as stipulated in:

- i. Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with the Stock Exchanges) for the period from April 01, 2015 to November 30, 2015.
- ii. Clause 49(VII)(E) of the Listing Agreements of the Company with the Stock exchanges(s) for the period from April 01, 2015 to September 01, 2015.
- iii. Regulation 23(4) of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016, and
- iv. Regulation 17 to 27 (excluding regulation 23(4) and clauses (b) to (i) of the Regulation 46(2) and Para C,D and E of Schedule V of the Listing Regulations for the period ended from December 01, 2015 to March 31, 2016

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to review of the procedures and implementations thereof, adopted by the company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the company in accordance with the Generally Accepted Auditing Standards in India to the extent relevant, and as per the Guidance Note on Certificate of Corporate Governance issued by the institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanation given to us and the representatives made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate governance as stipulated in clause 49 of the listing agreement and regulation 17 to 27

and clauses (b) to (i) of Regulation 46(2) and Para C,D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 7 above, during the year ended March 31, 2016.

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

For M/s Manisha Gupta & Associates

Chartered Accountant

(ICAI Firm Registration No – 017879C)

Sd/-

(Manisha Gupta)

Proprietor

M. No. 066230

Place : Jamshedpur

Date : May 30, 2016

AUDITOR'S REPORT

The Board of Directors
RSD Finance Limited

We have examined the books of accounts and other records of **RSD FINANCE LIMITED** for the Financial Year ending March 31, 2016. On the basis of the information submitted to us, we certify the following:

| Sl. | Particulars | Details |
|-----|--|--|
| 1 | Name of the company | RSD FINANCE LIMITED |
| 2 | Certificate of Registration No. | 05.01970 |
| 3 | Registered office Address | 224, AJC BOSE ROAD, KRISHNA BUILDING, 9 th FLOOR, ROOM NO. 902, KOLKATA – 700 017 |
| 4 | Corporate office Address | C/o THE ALCOR HOTEL, H. NO-04, RAMDAS BHATTA, BISTUPUR, JAMSHEDPUR - 831001 |
| 5 | The company has been classified by RBI as: Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC) | Investment Company |
| 6 | Net Owned Fund (in ` Crore) (Calculation of the same is given in the Annex) | 36.93 Crore |
| 7 | Total Assets (in ` Crore) | 42.13 Crore |
| 8 | Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below) | 95.84% 85.07% |

| | | |
|-----|--|------|
| 9 | Whether the company was holding any Public Deposits, as on March 31, 2016? | No |
| 10. | Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934). | Yes |
| 11 | Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI? | No |
| 12 | If the company is classified as an NBFC-Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income | N.A. |
| 13 | If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM(US) 2011 dated December 02, 2011) | N.A. |
| 14 | If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income | N.A. |
| 15 | If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets | N.A. |
| 16 | Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? (please refer to per DNBR (PD) CC. No.065/03.10.001/2015-16 dated July 09, 2015 on the subject for details) | No |

In terms of paragraph 2 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

I have read and understood paragraph 5 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008.

For Manisha Gupta & Associates
Chartered Accountants
(FRN – 017879C)

Sd/-
(Manisha Gupta)
Proprietor
M. No. -066230

Place: Jamshedpur
Date: The 29th Day of June, 2016

Annex

| | Capital Funds - Tier I | (₹Incrore) |
|-----|--|-------------------|
| 1. | Paid up Equity Capital | 6.47 |
| 2. | Pref. shares to be compulsorily converted into equity | 0.00 |
| 3. | Free Reserves: | |
| | a. General Reserve | 1.19 |
| | b. Share Premium | 0.00 |
| | c. Capital Reserves | 0.02 |
| | d. Debenture Redemption Reserve | 0.00 |
| | e. Capital Redemption Reserve | 0.00 |
| | f. Credit Balance in P&L Account | 23.34 |
| | g. Other free reserves (may be specified) | 0.00 |
| 4. | Special Reserves | 5.47 |
| | Total of 1 to 4 | 36.49 |
| 5. | Less: i. Accumulated balance of loss | 0.00 |
| | ii. Deferred Revenue Expenditure | 0.00 |
| | ii. Deferred Tax Assets (Net) | 0.04 |
| | iii. Other intangible Assets | 0.00 |
| | Owned Fund | 36.45 |
| 6. | Investment in shares of | 1.09 |
| | (i) Companies in the same group | |
| | (ii) Subsidiaries | 2.07 |
| | (iii) Wholly Owned Subsidiaries | 0.01 |
| | (iv) Other NBFCs | 0.00 |
| 7. | Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with | |
| | (i) Companies in the same group | |
| | (ii) Subsidiaries | 0.00 |
| | (iii) Wholly Owned Subsidiaries/Joint Ventures Abroad | 0.00 |
| 8. | Total of 6 and 7 | 3.17 |
| 9. | Amount in item 8 in excess of 10% of Owned Fund | (0.48) |
| 10. | Net Owned Fund | 36.93 |

TO WHOM SO EVER IT MAY CONCERN

This is to certify that M/s RSD Finance Limited having its registered office at 224, A.J.C. Bose Road, 902, Krishna Building, Kolkata, West Bengal-700017 continues to do the business of NBFIs and was holding the Certificate of Registration issued u/s 45(1A) of the Reserves Bank of India Act, 1934, for the year ended 31.03.2016.

This is to further certify that the Financial Assets of the Company are 95.84% in Comparison to the Total Assets and that the Financial Income is 85.07% of the Total Income of the Company.

This is as per our examination of books of accounts of M/s RSD Finance Limited and as per information and explanations given to us by management in this regard.

For Manisha Gupta & Associates
Chartered Accountants
(FRN - 017879C)

Sd/-

(Manisha Gupta)
Proprietor
M. No. -066230

Place: Jamshedpur
Date: The 30th Day of May, 2016

RSD FINANCE LIMITED

Computation of Financial Income for the F.Y-2015-16

| Particulars | Amount |
|--|-------------------|
| Non-Financial | |
| Job Work as per Profit&Loss Account | 7,643,321 |
| Other Income | 1,000,000 |
| Rent Income | - |
| | 8,643,321 |
| Financial | |
| Interest Income | 29,923,663 |
| Dividend Income | 13,291,983 |
| Net Gain on sale of Investments | 5,051,049 |
| Other Income | 985,465 |
| | 49,252,160 |
| Total Income | 57,895,481 |
| % of Financial Income to Total Income | 85.07 |

Computation of Financial Assets for the F.Y-2015-16

| Break-up of Financial Assets | Amount |
|--|--------------------|
| Investment in Unquoted Shares | 31,786,050 |
| Investment in Quoted Shares | 2,946,333 |
| Investment in Mutual Fund | 79,900,901 |
| Investment in Bonds | 15,000,000 |
| Investment in Debenture | 85,510,386 |
| Investment in PMS | 120,681,147 |
| InterCorporate Deposits | 65,000,000 |
| Other Advances | 1,600,000 |
| Bank Balances | 1,368,479 |
| Total Financial Assets | 403,793,297 |
| Total Assets | 421,327,359 |
| % of Financial Assets to Total Assets | 95.84 |

For Manisha Gupta & Associates
Chartered Accountants
FRN No. 017879C

Sd/-
(Manisha Gupta)
Proprietor
M.No: 066230

Place: Jamshedpur
Dated: The 30th day of May, 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
RSD FINANCE LIMITED**

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statement of RSD Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

AUDITOR'S RESPONSIBILITY

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatements.

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, the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial statements that give a true and fair view order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such

controls. 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.

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure A**', a statement on the matters specified in the paragraph 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 purposes of our audit;
 - b) In our opinion, proper books of accounts 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 Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representation received from the directors as on March 31, 2016, taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'; and

g) With respect to the other matters to be included in the 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 accordingly to the explanation given to us:

- i) The Company does not have any pending litigation which would impact on its financial position as on 31st March 2016.
- ii) The Company did not have any material foreseeable losses on long -term contracts including derivative contracts.
- iii) The provision related to Investor Education and Protection Fund is not applicable to the Company.

For Manisha Gupta & Associates
Chartered Accountants
(FRN – 017879C)

Sd/-
(Manisha Gupta)
Proprietor
M. No. -066230

Place: Jamshedpur
Date: The 30th Day of May, 2016

‘Annexure A’ CARO 2016 Report on the standalone financial statement of RSD Finance Limited for the year ended March 31, 2016

To the Members of RSD FINANCE LIMITED

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of **RSD FINANCE LIMITED** on the accounts of the company for the year ended 31st March, 2016]

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. In respect of its inventories:

The company does not have any inventory during the year, Hence this point of report is not applicable.
- iii. The company has not granted unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 in respect of any of the products dealt with by the company.
- vii. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations provided to us, by the management, there are no disputed dues of sales tax, income tax, custom tax, excise duty, service tax, and cess.
- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer. However the Company has raised a term loan from Axis Bank during the year and is applied for the purpose for which it is raised.
- x. In our opinion and according to the information and explanation given to us, no material fraud by the company and no material fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly Paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations provided to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided to us and based on the examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. According to the information and explanations provided to us and based on the examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is already a Non –Banking Financial Company and is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manisha Gupta & Associates
Chartered Accountants
(FRN – 017879C)

Sd/-
(Manisha Gupta)
Proprietor
M. No. -066230

Place: Jamshedpur
Date: The 30th Day of May, 2016

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 **RSD Finance Limited** ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 Manisha Gupta & Associates
Chartered Accountants
(FRN – 017879C)

Sd/-
(Manisha Gupta)
Proprietor
M. No. -066230

Place: Jamshedpur
Date: The 30th Day of May, 2016

RSD Finance Limited
Balance Sheet as at 31st March, 2016

| | | | Amount in ` |
|-----------------------------------|----------|------------------------|------------------------|
| Particulars | Note No. | As at 31st March, 2016 | As at 31st March, 2015 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 64,732,400 | 64,732,400 |
| (b) Reserves and Surplus | 4 | 300,249,801 | 273,960,376 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 38,148,790 | 38,488,039 |
| (3) Current Liabilities | | | |
| (a) Other Current Liabilities | 6 | 15,274,214 | 14,628,137 |
| (b) Short-Term Provisions | 7 | 2,922,154 | 2,713,264 |
| TOTAL | | 421,327,359 | 394,522,215 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 8 | 11,618,878 | 12,204,444 |
| (b) Non-Current Investments | 9 | 263,238,129 | 268,078,441 |
| (c) Deferred Tax Assets (Net) | 25 | 373,697 | 318,455 |
| (d) Long-Term Loans and Advances | 10 | 65,424,510 | 344,510 |
| (2) Current Assets | | | |
| (a) Current Investment | 11 | 72,586,688 | 94,638,137 |
| (b) Trade Receivables | 12 | 854,420 | 1,022,418 |
| (c) Cash and Cash Equivalents | 13 | 1,433,328 | 4,908,525 |
| (d) Short-Term Loans and Advances | 14 | 1,348,016 | 9,175,477 |
| (e) Other Current Assets | 15 | 4,449,693 | 3,831,808 |
| TOTAL | | 421,327,359 | 394,522,215 |

See accompanying notes to the financial statements

As per our report of even date attached

For Manisha Gupta & Associates
Chartered Accountants
(FRN No. 017879C)

Sd/-
(Manisha Gupta)
Proprietor
Membership No.066230

Place : Jamshedpur
Dated: The 30th day of May, 2016

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

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Rechan Chhabra
Chief Financial Officer

Sd/-
Anureet Kaur
Director
DIN No - 07136456

Sd/-
Simi Sen
Company Secretary

RSD Finance Limited
Profit & Loss Statement for the year ended 31st March, 2016

Amount in `

| Particulars | Note No. | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|----------|--------------------------------|--------------------------------|
| I. Revenue from Operations | 16 | 37,566,984 | 23,773,129 |
| II. Other Incomes | 17 | 20,328,496 | 19,908,636 |
| III. Total Revenue (I + II) | | 57,895,481 | 43,681,765 |
| IV. Expenses: | | | |
| Employee Benefit Expenses | 18 | 5,720,498 | 5,476,961 |
| Finance Costs | 19 | 4,152,808 | 1,990,581 |
| Depreciation and Amortization Expenses | 8 | 1,234,266 | 2,145,530 |
| Other Expenses | 20 | 17,887,309 | 10,354,013 |
| Total Expenses | | 28,994,880 | 19,967,085 |
| V Profit before Tax (III - IV) | | 28,900,601 | 23,714,680 |
| VI Tax Expense: | | | |
| (1) Current tax | | 2,922,154 | 2,713,264 |
| (2) Deferred Tax | 25 | (55,242) | (327,672) |
| VII Profit/ (Loss) for the Period (V - VI) | | 26,033,689 | 21,329,088 |
| VIII Earnings Per Equity Share | | | |
| (1) Basic | | 3.26 | 2.23 |
| (2) Diluted | | 3.26 | 2.23 |

See accompanying notes to the financial statements

As per our report of even date attached

For Manisha Gupta & Associates
Chartered Accountants
(FRN No. 017879C)

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

Sd/-
(Manisha Gupta)
Proprietor
Membership No.066230

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Anureet Kaur
Director
DIN No - 07136456

Place : Jamshedpur
Dated: The 30th day of May, 2016

Sd/-
Rechan Chhabra
Chief Financial Officer

Sd/-
Simi Sen
Company Secretary

RSD FINANCE LIMITED

Cash Flow Statement for the period ended 31st March 2016

| | Current Year | | Previous Year | |
|---|--------------|---------------------|---------------|---------------------|
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| A Cash Flow From Operating Activities | | | | |
| Net Profit before Tax | | 28,900,601 | | 23,714,680 |
| Add : Adjustments for | | | | |
| Depreciation | | 1,234,266 | | 2,145,530 |
| profit & loss appropriation | | 255,737 | | |
| | | <u>30,390,604</u> | | <u>25,860,210</u> |
| Less : Adjustment for | | | | |
| Profit on Sale of shares | | | 9,627,753 | |
| Dividend Received | 13,291,983 | | 10,176,336 | |
| Interest Income | 29,923,663 | 43,215,647 | 18,174,515 | 37,978,604 |
| Operating Profit before Working Capital Changes | | <u>(12,825,043)</u> | | <u>(12,118,394)</u> |
| Adjustments for:- | | | | |
| Current Assets | | | | |
| (a) Current Investment | 22,051,450 | | - | |
| (b) Trade Receivables | 167,998 | | (52,752) | |
| (c) Short-Term Loans and Advances | 7,827,461 | | 1,135,648 | |
| (d) Other Current Assets | (617,885) | 29,429,024 | 38,248,054 | |
| Current Liabilities | | | | |
| (a) Other Current Liabilities | 646,077 | 646,077 | (39,648,080) | (317,131) |
| Net cash generated from operating activities | | <u>17,250,058</u> | | <u>(12,435,525)</u> |
| Tax Paid/Provided | | 2,713,264 | | 5,363,410 |
| Net cash generated from operation [A] | | <u>14,536,794</u> | | <u>(17,798,935)</u> |
| B Cash Flow From Investing Activities | | | | |
| (Purchase)/Sale of Investments | 4,840,312 | | (46,155,298) | |
| Loans & Advances | (65,080,000) | | (12,450) | |
| Dividend Received | 13,291,983 | | 10,176,336 | |
| Interest Received | 29,923,663 | | 18,174,515 | |
| Sale/(Purchase) of Assets | (648,700) | | (259,281) | |
| Net cash from investing activities [B] | | <u>(17,672,743)</u> | | <u>(18,076,178)</u> |
| C Cash Flow From Financing Activities | | | | |
| Proceeds from long term borrowings | (339,249) | | 30,540,240 | |
| Net cash from financing activities [C] | | <u>(339,249)</u> | | <u>30,540,240</u> |
| Net Increase/(Decrease) in Cash | | | | |
| & Cash equivalents [A+B+C] | | <u>(3,475,197)</u> | | <u>(5,334,872)</u> |
| Cash & Cash equivalents (Opening balance) | | 4,908,525 | | 10,243,398 |
| Cash & Cash equivalents (Closing balance) | | <u>1,433,328</u> | | <u>4,908,525</u> |

For Manisha Gupta & Associates
Chartered Accountants
FRN No. 017879C)

Sd/-
(Manisha Gupta)
Proprietor
Membership No.066230

Place : Jamshedpur
Dated: The 30th day of May, 2016

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

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Rechan Chhabra
Chief Financial Officer

Sd/-
Anureet Kaur
Director
DIN No - 07136456

Sd/-
Simi Sen
Company Secretary

RSD Finance Limited
Notes forming Integral part of the Financial Statements

Note# 1

Corporate Information

The Company is duly incorporated under the provisions of Companies Act 1956 as a Public Limited Company. The company also holds the status of Non Banking Finance Company under the provisions of RBI and engaged in the business of Non Banking Financing Activities.

Note# 2

Summary of Significant Accounting Policies

2.1. Accounting Policies:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable. and directions prescribed by the Reserve Bank of India. The financial statements are presented in Indian rupees.

2.2. Revenue Recognition:

Income and expenditure are accounted for on accrual basis, wherever ascertainable.

Dividend are recognised only when the right to receive is established

Interest Income is recognised as and when they become accrued.

2.3. Fixed Assets:

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working condition for intended use. The WDV of those assets whose useful life has expired as per the provision of Schedule-II to the Companies Act 2013 has been charged off to Reserve and Surplus available.

2.4. Depreciation:

On fixed assets, depreciation is provided on written down Value method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013, are considered as minimum rates.

Leasehold Land is not depreciated or amortized.

2.5. Investment:

Investments are accounted for as per accounting standard-13 issued by ICAI and duly notified by the Central Government.

Long Term Investments are stated at cost of acquisition until there is a permanent diminution in the value of the investment.

2.6. Retirement Benefits:

Contribution to Provident Fund is made at prescribed rates and charged to the Profit & Loss Account. Leave

Encashment is accounted for in the year in which option of encashment is exercised by the employee.

2.7. Contingent Liabilities:

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

2.8. Foreign exchange transactions

The Company during the year did not have foreign exchange transaction.

RSD Finance Limited

Notes forming Integral part of the Financial Statements

- 2.9.** No provision has been made in respect of accrued gratuity liability and leave encashment benefit as on 31/03/16 and these will be accounted for on cash basis.

2.10. Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

- 2.11.** The Company has not accepted any Public Deposits during the year under review and the Board of Directors have passed resolution to the effect that the Company has neither accepted Public Deposit nor would accept any public Deposit during the year.
- 2.12.** Borrowing Cost that are directly attributable to the acquisition/ construction of the qualifying asset are capitalised until the time all the substantial activities necessary to prepare such assets for the intended use are complete. All other borrowing costs are recognised as expenditure during the period in which they are incurred.

RSD Finance Limited
Notes forming Integral part of Financial Statements

Notes forming integral part of Financial Statements

| Particulars | As at 31st March, 2016 | Amount in (₹) As at 31st March, 2015 | | |
|--|---------------------------|--|--------------|--------|
| NOTE # 3 | | | | |
| Share Capital | | | | |
| Authorised Capital | | | | |
| 6,500,000 Equity Shares of ₹ 10/- each | | | | |
| (P.Y. 6,500,000 Equity Shares of ₹ 10/- each) | 65,000,000 | 65,000,000 | | |
| Issued, Subscribed and Paid up | | | | |
| 6,473,240 Equity Shares of ₹ 10/- each | 64,732,400 | 64,732,400 | | |
| (P.Y. 6,473,240 Equity Shares of ₹ 10/- each) | 64,732,400 | 64,732,400 | | |
| NOTE # 3(a) | | | | |
| Reconciliation of the number of shares at the beginning & end of the Reporting Period. | | | | |
| Number of shares at the beginning of the year | 6,473,240 | 6,473,240 | | |
| Addition during the year | - | - | | |
| Number of shares at the end of the year | 6,473,240 | 6,473,240 | | |
| NOTE # 3(b) | | | | |
| Shares held by each shareholder holding more than 5% shares, specifying the number of shares held. | | | | |
| Name of the Shareholder | No of shares | % | No of shares | % |
| Rajeev Singh Dugal | 4,044,540 | 62.48% | 4,044,540 | 62.48% |
| K U Benefit Trust | 791,000 | 12.22% | 791,000 | 12.22% |
| NOTE # 3(c) | | | | |
| Rights, preferences and restrictions attached to shares | | | | |
| The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | | | |
| NOTE # 4 | | | | |
| Reserves and Surplus | | | | |
| (a) Capital Reserve | | | | |
| As per last Balance Sheet | 236,775 | | 236,775 | |
| Addition during the year | - | | - | |
| | 236,775 | | 236,775 | |
| (b) Statutory Reserve | | | | |
| As per last Balance Sheet | 49,472,659 | | 45,206,841 | |
| Addition during the year | 5,206,738 | | 4,265,818 | |
| | 54,679,397 | | 49,472,659 | |
| (c) Surplus i.e. Balance in the Statement of Profit & Loss | | | | |
| As per last Balance Sheet | 212,329,384 | | 197,916,259 | |
| Addition during the year | 26,033,689 | | 21,329,088 | |
| Less: P/L Appropriation | (255,736) | | 2,650,146 | |
| Less: Transfer to Statutory Reserve | 5,206,738 | | 4,265,818 | |
| | 233,412,071 | | 212,329,384 | |
| (d) General Reserve | | | | |
| As per last Balance Sheet | 11,921,558 | | 11,921,558 | |
| Addition during the year | - | | - | |
| | 11,921,558 | | 11,921,558 | |
| | 300,249,801 | | 273,960,376 | |

RSD Finance Limited
Notes forming Integral part of Financial Statements

| Particulars | Amount in (₹) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 |
| NOTE # 5 | | |
| Long-Term Borrowings | | |
| <u>Secured Loan</u> | | |
| Vehicle Loan from HDFC Bank(Honda Amaze) | 259,368 | 388,634 |
| Vehicle Loan from Kotak Bank(Honda Amaze) | - | 94,907 |
| Vehicle Loan from Axis Bank(Fortuner) | 511,381 | 850,759 |
| Loan from Kotak Mahindra Investment Limited | 33,000,000 | 33,000,000 |
| * The vehicle loan is financed by way of hypothecation of the vehicle financed. | | |
| i) The vehicle loan(Honda Amaze) to be repaid at an EMI of ₹ 14160 | | |
| ii) The vehicle loan(Honda Amaze) to be repaid at an EMI of ₹ 16335 | | |
| iii) The vehicle loan(Fortuner) to be repaid at an EMI of ₹ 34390 | | |
| iv) KMIL Loan is secured by way of pledge/lien of Kotak FMP Series 127(730 days) and other securities as acceptable to KMIL. | | |
| <u>Unsecured Loan</u> | | |
| Ashdil Trading Co(P) Ltd | 3,583,724 | 3,400,117 |
| Polo Suppliers(P) Ltd | 794,317 | 753,622 |
| | <u>38,148,790</u> | <u>38,488,039</u> |
| NOTE # 6 | | |
| Other Current Liabilities | | |
| Current Maturities of Long-Term Debt | 566,331 | 872,573 |
| Advance Received From Body Corporate | 6,189,520 | 3,523,520 |
| Other Payables: | | |
| a) Liability Against Salary | 132,063 | 87,292 |
| b)TDS Payable | 233,987 | 245,514 |
| c)EPF/ESIC Payable | 10,069 | 5,087 |
| d) Service Tax Payable | 30,933 | - |
| e) Other Creditors | 8,111,311 | 9,894,151 |
| | <u>15,274,214</u> | <u>14,628,137</u> |
| NOTE # 7 | | |
| Short-Term Provisions | | |
| Provision for Tax | 2,922,154 | 2,713,264 |
| | <u>2,922,154</u> | <u>2,713,264</u> |

RSD Finance Limited

NOTE # 8

Tangible Assets as on 31st March 2016

| S.NO | PARTICULARS | GROSS BLOCK | | | DEPRECIATION BLOCK | | | | NET BLOCK | |
|------|-----------------------------|--------------------------|---------------------------------|--|---------------------------|--------------------|------------------|--------------------|--|--|
| | | COST AS ON 01.04.2015 | ADDITIONS DURING THE YEAR | SALE / DISPOSAL DURING THE YEAR | TOTAL AS ON 31.03.2016 | UPTO 01.04.2015 | FOR THE YEAR | UPTO 31.03.2016 | NET CARRYING AMOUNT AS ON 31.03.2016 | NET CARRYING AMOUNT AS ON 31.03.2015 |
| 1 | Land(Freehold) | 10,000 | - | - | 10,000 | - | - | - | 10,000 | 10,000 |
| 2 | Land(Leasehold) | 6,257,862 | - | - | 6,257,862 | - | - | - | 6,257,862 | 6,257,862 |
| 3 | Capital WIP at Adityapur | 233,710 | 318,100 | - | 551,810 | - | - | - | 551,810 | 233,710 |
| 4 | Building | 1,468,848 | - | - | 1,468,848 | 1,264,771 | 22,875 | 1,287,646 | 181,202 | 204,077 |
| 5 | Flat | 3,032,300 | - | - | 3,032,300 | 659,480 | 207,718 | 867,198 | 2,165,102 | 2,372,820 |
| 6 | Plant & Machinery | 1,315,058 | 330,600 | - | 1,645,658 | 1,029,796 | 41,550 | 1,071,346 | 574,312 | 285,262 |
| 7 | Lab Appartus | 17,375 | - | - | 17,375 | 17,374 | - | 17,374 | 1 | 1 |
| 8 | Electric Installation | 1,037,957 | - | - | 1,037,957 | 1,012,957 | - | 1,012,957 | 25,000 | 25,000 |
| 9 | Generator Set | 304,562 | - | - | 304,562 | 298,686 | 3,876 | 302,562 | 2,000 | 5,876 |
| 10 | Furniture & Fixtures | 257,670 | - | - | 257,670 | 222,947 | 13,333 | 236,280 | 21,390 | 34,723 |
| 11 | Computer | 305,972 | - | - | 305,972 | 305,971 | - | 305,971 | 1 | 1 |
| 12 | Xerox Machine | 121,436 | - | - | 121,436 | 121,435 | - | 121,435 | 1 | 1 |
| 13 | Motor Cycle | 35,303 | - | - | 35,303 | 33,327 | 976 | 34,303 | 1,000 | 1,976 |
| 14 | Motor Car (Mercedes Benz) | 2,539,846 | - | - | 2,539,846 | 1,977,405 | 217,271 | 2,194,676 | 345,170 | 562,441 |
| 15 | Motor Car (Toyota Fortuner) | 2,387,101 | - | - | 2,387,101 | 1,066,303 | 435,219 | 1,501,522 | 885,579 | 1,320,798 |
| 16 | Motor Car (Honda Amaze) | 1,409,950 | - | - | 1,409,950 | 580,144 | 280,269 | 860,413 | 549,537 | 829,806 |
| 17 | Air Conditioner | 49,521 | - | - | 49,521 | 38,664 | 1,690 | 40,354 | 9,167 | 10,857 |
| 18 | Office Equipment | 89,438 | - | - | 89,438 | 89,436 | - | 89,436 | 2 | 2 |
| 19 | Printer | 7,000 | - | - | 7,000 | 5,440 | 1,210 | 6,650 | 350 | 1,560 |
| 20 | Refrigerator | 33,000 | - | - | 33,000 | 7,934 | 4,430 | 12,364 | 20,636 | 25,066 |
| 21 | Telephone & Mobile | 29,750 | - | - | 29,750 | 7,146 | 3,847 | 10,993 | 18,757 | 22,604 |
| | TOTAL | 20,943,660 | 648,700 | - | 21,592,360 | 8,739,216 | 1,234,266 | 9,973,481 | 11,618,878 | 12,204,444 |
| | Previous Year | 20,684,379 | 259,281 | - | 20,943,660 | 6,593,686 | 2,145,530 | 8,739,216 | 12,204,444 | 14,090,693 |

RSD Finance Limited
Notes forming Integral part of Financial Statements

| | | Amount in (₹) | |
|---|---------------------------|---------------------------|--------------------|
| Particulars | As at 31st March, 2016 | As at 31st March, 2015 | |
| NOTE # 9 | | | |
| Non-Current Investments | | | |
| Investments in Equity Instruments | | | |
| (a) Equity Shares (Quoted) | Number | Number | |
| Sanra Media Limited | 225,000 | 225,000 | 260,546 |
| (Market Value of the above shares ₹ 11,250/-) | | | 260,546 |
| | | | <u>260,546</u> |
| (b) Equity Shares (Unquoted) | | | |
| Investment in Unquoted Shares | 31,786,050 | | 31,266,050 |
| | <u>31,786,050</u> | | <u>31,266,050</u> |
| (c) Investments in Mutual Funds | | | |
| Reliance Capital Builder Fund | 1,000,000 | 1,000,000 | 10,000,000 |
| Kotak FMP Series 127- Growth | - | 5,000,000 | 50,000,000 |
| (Market Value of the quoted securities Rs. 1,12,35,400) | | | 60,000,000 |
| | <u>10,000,000</u> | | <u>60,000,000</u> |
| (d) Investments in Bonds | | | |
| HUDCO Tax Free Bonds | 15,000,000 | | 15,000,000 |
| | <u>15,000,000</u> | | <u>15,000,000</u> |
| (e) Investments in Debentures | | | |
| Shambhvi Reality Pvt Ltd. | - | | 27,796,608 |
| Wadhwa Group Holdings Pvt Ltd. | - | | 9,942,726 |
| Total Environment Projects India Pvt Ltd. | - | | 65,838,533 |
| Indostar Credit Fund | 6,600,000 | | - |
| Krishna Enterprises(H & I) India Pvt Ltd | 12,000,000 | | - |
| Ansal Hi-tech Township Ltd. | 60,000,000 | | - |
| Umang Realtech Pvt Ltd. | 6,910,386 | | - |
| | <u>85,510,386</u> | | <u>103,577,867</u> |
| (f) Investments in PMS | | | |
| Quest Investment Advisors Pvt Ltd. | 12,532,706 | | 11,069,801 |
| Unifi Capital Private Limited. | 6,430,998 | | 6,009,287 |
| ICICI Prudential Asset Management Co Ltd. | 100,717,444 | | 40,894,890 |
| Zodious Technology Opportunity Fund | 1,000,000 | | - |
| | <u>120,681,147</u> | | <u>57,973,978</u> |
| | <u>263,238,129</u> | | <u>268,078,441</u> |
| NOTE # 10 | | | |
| Long-Term Loans and Advances | | | |
| <i>Secured</i> | | | |
| Corporate Loan | | | |
| ALM Infotech City Pvt. Ltd. | 15,000,000 | | - |
| Santosh Trust | 50,000,000 | | - |
| <i>Unsecured, Considered Good</i> | 80,000 | | - |
| Security Deposits with: | | | |
| (a) FD to High Court | 18,300 | | 18,300 |
| (b) JUSCO | 313,760 | | 313,760 |
| (c) Others | 12,450 | | 12,450 |
| | <u>65,424,510</u> | | <u>344,510</u> |

RSD Finance Limited
Notes forming Integral part of Financial Statements

| Particulars | | | Amount in (₹) | |
|---|---------------------------|------------|---------------------------|------------|
| | As at 31st March, 2016 | | As at 31st March, 2015 | |
| NOTE # 11 | | | | |
| Current Investments | | | | |
| Investments in Equity Instruments | | | | |
| (a) Equity Shares (Quoted) | Number | | Number | |
| DCB Bank Ltd. | - | - | 5,000 | 533,850 |
| ICICI Bank Ltd | - | - | 4,000 | 1,169,619 |
| Infra Developmental Finance Co. | - | - | 10,000 | 1,188,920 |
| Kec Int Ltd. | - | - | 15,000 | 1,400,922 |
| Hindustan | 5,580 | 1,496,867 | - | - |
| IDFC Ltd | 10,000 | 720,248 | - | - |
| IDFC Bank Ltd | 10,000 | 468,672 | - | - |
| (Market Value of the quoted securities Rs. 22,89,558) | | 2,685,787 | | 4,293,311 |
| (b)Investments in Mutual Funds | | | | |
| Birla Infrastrutture Fund-Growth | - | - | 505,282 | 10,000,000 |
| Birla Sunlife Top 100 Fund | 158,008 | 7,013,410 | 158,008 | 7,013,410 |
| IDFC All Season Bond Fund-Growth | 954,335 | 20,000,000 | 954,335 | 20,000,000 |
| IDFC Arbitrage Plus Fund | - | - | 662,723 | 8,000,000 |
| IDFC Dynamic Bond Fund | 32,918 | 500,000 | 32,918 | 500,000 |
| IDFC-GSF-IP Growth Fund | 62,385 | 1,089,085 | 65,992 | 1,000,000 |
| IDFC Monthly Income Plan | 473,354 | 8,049,292 | - | - |
| IDFC Money Manager Fund | 31,787 | 763,261 | - | - |
| Kotak India Growth Fund | 1,000,000 | 10,000,000 | - | - |
| Kotak Select Focus Fund | 475,122 | 11,244,990 | 475,122 | 11,244,990 |
| Kotak Treasury Advantage Fund (G) | 259,844 | 6,110,539 | 1,247,572 | 27,456,104 |
| Sundaram Growth Fund | 38,707 | 5,130,323 | 38,707 | 5,130,323 |
| (Market Value of the quoted securities Rs. 7,07,82,903) | | 69,900,901 | | 90,344,827 |
| | | 72,586,688 | | 94,638,137 |
| NOTE # 12 | | | | |
| Trade Receivables | | | | |
| Unsecured, Considered Good | | | | |
| - Outstanding for a period exceeding six months | | - | | 61,963 |
| - Others | | 854,420 | | 960,455 |
| | | 854,420 | | 1,022,418 |

RSD Finance Limited
Notes forming Integral part of Financial Statements

| Particulars | Amount in (₹) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 |
| NOTE # 13 | | |
| Cash and Cash Equivalents | | |
| Balance with Banks | | |
| (a) IDBI Bank(879) | 139,745 | 486,669 |
| (b) IDBI Bank (949) | 109,154 | 388,342 |
| (c) UTI Bank | 21,142 | 20,770 |
| (d) Punjab National Bank | 11,004 | 11,218 |
| (e) Bank of India | 5,719 | 5,785 |
| (f) Kotak Mahindra Bank-1055 | 46,788 | 280,063 |
| (g) Kotak Mahindra Bank-1062 | 826,031 | 2 |
| (h) Kotak Mahindra Bank-3615 | 172,500 | 3,623,609 |
| (i) Kotak Mahindra Bank-5086 | 770 | - |
| (j) State bank of India | 35,626 | - |
| Cash in Hand | 64,848 | 92,068 |
| <i>(as per cash book and duly cetified by the management)</i> | 1,433,328 | 4,908,525 |
| NOTE # 14 | | |
| Short-Term Loans and Advances | | |
| Loan to Corporates | - | 9,271,216 |
| Other Loans & Advances: | | |
| Advance to staff | 13,357 | 8,837 |
| Kotak Securities | (265,341) | (285,624) |
| Other Advances | 1,600,000 | 181,048 |
| | 1,348,016 | 9,175,477 |
| NOTE # 15 | | |
| Other Current Assets | | |
| Balance with Revenue Authorities | 4,449,693 | 3,831,808 |
| | 4,449,693 | 3,831,808 |

RSD Finance Limited
Annexures to the Profit & Loss Statement

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|-------------------------------------|--|--|
| NOTE # 16 | | |
| Revenue From Operations | | |
| Sale of Services | 7,643,321 | 5,598,614 |
| Interest Income | 29,923,663 | 18,174,515 |
| | 37,566,984 | 23,773,129 |
| NOTE # 17 | | |
| Other Incomes | | |
| Other Incomes | 1,985,465 | 104,547 |
| Dividend Income | 13,291,983 | 10,176,336 |
| Net Gain on sale of Investments | 5,051,049 | 9,627,753 |
| | 20,328,496 | 19,908,636 |
| NOTE # 18 | | |
| Employee Benefit Expenses | | |
| Salaries | 2,387,550 | 1,798,714 |
| Stipend | 1,559,573 | 1,671,763 |
| Contribution to PF and Other Funds | 104,998 | 82,265 |
| Directors Remuneration | 1,200,000 | 1,410,000 |
| House Rent Allowance | 51,525 | 238,480 |
| Staff & Labour Welfare Expenses | 416,852 | 275,739 |
| | 5,720,498 | 5,476,961 |
| NOTE # 19 | | |
| Finance Costs | | |
| Interest on TDS & S. Tax | 16,691 | 6,832 |
| Interest on Unsecured Loan | 249,224 | 236,455 |
| Interest on Short Term Loan | 3,694,097 | 1,460,727 |
| Interest on Car Loan | 192,796 | 286,567 |
| | 4,152,808 | 1,990,581 |
| NOTE # 20(a) | | |
| Other Manufacturing Expenses | | |
| Store and Hardware Consumed | 2,536,136 | 1,287,031 |
| Job Charges | 1,850,589 | 1,333,562 |
| Repair & Maintenance | 256,142 | 251,501 |
| Loading & Unloading Charges | 41,610 | - |
| Power & Fuel | 1,930,611 | 1,678,243 |
| | 6,615,089 | 4,550,337 |

RSD Finance Limited
Annexures to the Profit & Loss Statement

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|--|--|
| NOTE # 20(b) | | |
| Administrative and Selling Expenses | | |
| Advertisement Expenses | 41,497 | 49,412 |
| Bank Charges & Interest | 4,829 | 1,125 |
| Business Promotion Expenses | 92,270 | 62,800 |
| Conveyance & Travelling | 414,183 | 405,596 |
| Car hire Charges | - | 240,611 |
| Demat Charges | 1,740 | 36,670 |
| Fees & Subscription | 25,740 | 194,863 |
| General Expenses | 111,777 | 228,890 |
| Insurance Charges | 494,970 | 501,973 |
| Listing Fees & Stock Exchange Charges | 3,285,114 | - |
| Rent,Rates & Taxes | 872,051 | 354,343 |
| Office Maintenance | 132,041 | 239,593 |
| Postage ,Telegram & Telephone | 145,415 | 200,425 |
| Printing & Stationery | 165,216 | 61,939 |
| Auditors' Remuneration | 50,000 | 45,000 |
| Proffesional & Legal Expenses | 1,702,592 | 782,247 |
| Repair & Maintenance | 254,069 | 150,989 |
| Security Transaction Tax | 8,496 | 143,962 |
| Security Charges | 937,267 | 874,954 |
| Management and Upfront Fees | 2,532,954 | 1,212,785 |
| Books and Perodicals | - | 15,500 |
| | 11,272,219 | 5,803,676 |
| Total(a+b) | 17,887,309 | 10,354,013 |

RSD FINANCE LIMITED
Notes forming Integral part of the Financial Statements

Note# 21

Related Party Disclosures:

Related party disclosures as required under AS - 18 on "Related Party Disclosure" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

Subsidiaries Companies

Precision Automotive Pvt Ltd.
S R P Oil Private Limited

Key Management Personnel

Rajeev Singh Dugal
Kawaljeet Dugal
Rechan Chhabra
Simi Sen

| Transactions during the Year | Current Year (` in Lacs) | Previous Year (` in Lacs) |
|---|-----------------------------|------------------------------|
| Services Availed | 0.36 | 0.36 |
| a. Rajeev Singh Dugal | 0.36 | 0.36 |
| Services Rendered | 24.83 | 21.81 |
| a. Precision Automotive Pvt Ltd. | 24.83 | 21.81 |
| Managerial Remuneration | 18.60 | 14.10 |
| a. Rajeev Singh Dugal | 12.00 | 12.00 |
| b. Kawaljeet Dugal | 6.60 | 2.10 |
| Outstanding balance as on 31.03.2016 | | |
| | (0.34) | 0.32 |
| a. Precision Automotive Pvt Ltd. | (0.34) | 0.32 |

Note# 22

On the basis of information available with the company, there are no small-scale industrial undertakings to which the Company owes any sum which is outstanding for more than 30 days.

RSD FINANCE LIMITED
Notes forming Integral part of the Financial Statements

Note# 23

Accounting Standard (AS) 17- Segment Reporting:

Information about Primary Business Segments

(` In Lacs)

| Particulars | Finance | Job Work | Unallocable | Total |
|--------------------------|----------------------|------------------|----------------|----------------------|
| Total Revenue | 502.52 380.83 | 76.43 55.99 | - - | 578.95 436.82 |
| Segment Result before | 331.69 257.52 | (1.16) (0.47) | - - | 330.53 257.05 |
| Less : Interest Expenses | | | | 41.53 19.91 |
| Profit before Taxes | | | | 289.01 237.14 |
| Taxes | | | | 28.67 23.86 |
| Profit after Taxes | | | | 260.34 213.28 |
| Segment Assets | 4,090.39 3,809.07 | 88.81 83.89 | 34.07 52.27 | 4,213.27 3,945.23 |
| Segment Liabilities | 563.45 558.29 | - - | - - | 563.45 558.29 |
| Capital Expenditure | - - | 6.49 2.59 | - - | 6.49 2.59 |
| Depreciation | 11.66 17.71 | 0.68 3.75 | - - | 12.34 21.46 |

Note # 24

Earnings Per Share (EPS):

| | Current Year | Previous Year |
|---|--------------|---------------|
| No of Ordinary Shares at the Beginning of the year | 6,473,240 | 6,473,240 |
| No of Ordinary Shares at the End of the year | 6,473,240 | 6,473,240 |
| Weighted Average No. of Ordinary Shares Outstanding during the year | 6,473,240 | 6,473,240 |
| Profit (Loss) after tax before transfer to Statutory Resreve | 26,033,689 | 21,329,088 |
| Less: Tranfer to Statutory reserve | 5,206,738 | 4,265,818 |
| Less: Profit & Loss Appropriation Account | -255,736 | 2,650,146 |
| Profit (Loss) after tax Available for Ordinary Shareholdres | 21,082,687 | 14,413,124 |
| Basic & Diluted Earnings per share (`) | 3.26 | 2.23 |

RSD FINANCE LIMITED
Notes forming Integral part of the Financial Statements

Note# 25

Deferred Tax Asset/ Liability (Net):

| | Deferred Tax Asset/(-) Liability as at 01.04.15 | Current Year Charge/ (Credit) | Deferred Tax Asset/(-) Liability as at 31.03.16 |
|--|--|-------------------------------------|--|
| Deferred Tax Liability | | | |
| Difference between Book and Income Tax Depreciation | 318,455 | 55,242 | 373,697 |

Note# 26

Directors Remuneration

Salaries

| | Current Year | Previous Year |
|------------------------|--------------|---------------|
| Mr. Rajeev Singh Dugal | 1,200,000 | 1,200,000 |
| Mrs. Kawaljeet Dugal | 660,000 | 210,000 |

Note # 27

RBI Schedule for NBFC'S :

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.

| | | As at 31st March, 2016 | |
|--|-----------|--------------------------------------|-------------------|
| | | Amount Outstanding (` in Lacs) | Amount Overdue |
| Liabilities Side: | | | |
| 1. Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid : | | | |
| (a) Debentures : | Secured | NIL | NIL |
| | Unsecured | NIL | NIL |
| (other than falling within the meaning of public deposits) | | | |
| (b) Deferred Credits | | NIL | NIL |
| (c) Term Loans | | | |
| (d) Inter-Corporate Loans & Borrowings | | 43.78 | 41.54 |
| (e) Commercial Paper | | NIL | NIL |
| (f) Other Loan (specify nature) | | 0.00 | 0.00 |
| 2. Break-up (1)(f) above (Outstanding public deposits inclusive of Interest accrued thereon but not paid) : | | | |
| (a) In the form of Unsecured Debentures | | NIL | NIL |
| (b) In the form of partly secured debentures where there is a shortfall in the value of security | | NIL | NIL |
| (c) Other Public Deposits | | NIL | NIL |

RSD FINANCE LIMITED
Notes forming Integral part of the Financial Statements

Amount Outstanding
As on 31.03.2016
(` In Lacs)

Assets Side:

**3. Break-up of Loans and Advances including bills receivable
[other than those including in (4) below]:**

| | |
|---------------|--------|
| (a) Secured | 650.00 |
| (b) Unsecured | 4.25 |

**Break-up of Leased Assets and Stock on hire and other assets
counting Towards AFC activities:**

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

**4. Break-up of Investments:
Current Investments**

| | | |
|----------------------------|-----------------|--------|
| (I) Quoted | | |
| (a) Shares : | (i) Equity | 26.86 |
| | (ii) Preference | NIL |
| (b) Debentures & Bonds | | NIL |
| (c) Units of Mutual Funds | | 699.01 |
| (d) Government Securities | | NIL |
| (e) Other (please specify) | | NIL |
| (II) Unquoted | | |
| (a) Shares : | (i) Equity | NIL |
| | (ii) Preference | NIL |
| (b) Debentures & Bonds | | NIL |
| (c) Units of Mutual Funds | | NIL |
| (d) Government Securities | | NIL |
| (e) Other (please specify) | | NIL |

RSD FINANCE LIMITED
Notes forming Integral part of the Financial Statements

Long Term Investments

| | | |
|----------------------------|-----------------|--------|
| (I) Quoted | | |
| (a) Shares : | (i) Equity | 2.61 |
| | (ii) Preference | NIL |
| (b) Debentures & Bonds | | |
| (c) Units of Mutual Funds | | |
| (d) Government Securities | | |
| (e) Other (PMS) | | |
| | | |
| (II) Unquoted | | |
| (a) Shares : | (i) Equity | 317.86 |
| | (ii) Preference | NIL |
| (b) Debentures & Bonds | | |
| (c) Units of Mutual Funds | | |
| (d) Government Securities | | |
| (e) Other (please specify) | | |

5. Borrower group-wise classification of assets financed as in (2) and (3) above:

| Category | In Lacs | | |
|---------------------------------|-------------------------|-----------|-------|
| | Amount net of Provision | | |
| | Secured | Unsecured | Total |
| 1. Related Parties | | | |
| (a) Subsidiaries | NIL | NIL | NIL |
| (b) Companies in the same group | NIL | NIL | NIL |
| (c) Other Related Parties | NIL | NIL | NIL |
| 2. Other than Related Parties | 650 | NIL | 650 |

6. Investor group-wise classification of all Investments (current and long term) in shares and Securities (both Quoted and Unquoted) :

| Category | Market Value / Break Up or fair Value or NAV | Book Value (Net of Provisions) |
|---------------------------------|---|-----------------------------------|
| 1. Related Parties | | |
| (a) Subsidiaries | 208.86 | 208.86 |
| (b) Companies in the same group | NIL | NIL |
| (c) Other Related Parties | NIL | NIL |
| 2. Other than Related Parties | 3,814.11 | 3,799.39 |

RSD FINANCE LIMITED
Notes forming Integral part of the Financial Statements

7. Other Information:

| Particulars | Amount |
|--|--------|
| (I) Gross Non-Performing Assets | NIL |
| (a) Related Parties | NIL |
| (b) Other than Related Parties | NIL |
| (II) Net Non-Performing Assets | NIL |
| (a) Related Parties | NIL |
| (b) Other than Related Parties | NIL |
| (III) Assets acquired in satisfaction of debt. | NIL |

Note # 28

Previous year's figure have been regrouped/reclassified / re-arranged wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

Manisha Gupta
Chartered Accountant
(Registration No. 017879C)

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

Sd/-
(Manisha Gupta)
Proprietor
M.No 066230

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Anureet Kaur
Director
DIN No - 07136456

Place: Jamshedpur
Dated: The 30th day of May, 2016

Sd/-
Rechan Chhabra
Chief Financial Officer

Sd/-
Simi Sen
Company Secretary

FORM A

(Pursuant to regulation 33(3)(d) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015)

| SL. NO. | PARTICULARS | DETAILS |
|---------|--|---|
| 01 | Name of Company | RSD Finance Ltd |
| 02 | Annual Financial Statements for the year ended | Annual Standalone financial statement for the year ended March 31, 2016 |
| 03 | Type of Audit Observation | UNQUALIFIED |
| 04 | Frequency of Observation | Annually |
| 05 | To be Signed by: CEO/Managing Director CFO/ General Manager Auditors of the Company Audit Committee Chairman | |

Sd/-

Rajeev Singh Dugal
Managing Director

Sd/-

Rechan Chhabra
Chief Financial Officer

Sd/-

Sushil Kumar Khowala
Chairman of Audit Committee
(During the period under review)

Manisha Gupta
Proprietor

Membership No: 066230

Sd/-

For, M/S Manisha Gupta & Associates
Chartered Accountants
Firm Registration No. 017879C

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

RSD FINANCE LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statement of RSD Finance Limited (hereinafter referred to as "the Holding Company ") and its subsidiaries (the Holding company and its subsidiaries together referred to as "Group", comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Profit and Loss Statement, the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the consolidated financial statements")

MANAGEMENT 'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India of including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Company as at March 31, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated Balance Sheet, consolidated the Profit and Loss Statement, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion , the aforesaid consolidated financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules , 2014;
- e) On the basis of the written representation received from the directors of the Holding Company as on March 31, 2016, taken on record by the Board of directors, none of the directors is disqualified as on march 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit & 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 litigation which would impact on its financial position as on 31st March 2016.
 - ii) The company did not have any material foreseeable losses on long -term contracts including derivative contracts.
 - iii) The provision related to Investor Education and Protection Fund is not applicable to the Company.

For Manisha Gupta & Associates
Chartered Accountants
(FRN - 017879C)

Sd/-
(Manisha Gupta)
Proprietor
M. No. -066230

Place: Jamshedpur
Date: The 30th Day of May, 2016

Annexure A 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 **RSD Finance Limited** (hereinafter referred to as "the Holding Company ") as of 31 March 2016 in conjunction with our audit of the consolidated 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 Manisha Gupta & Associates
Chartered Accountants
(FRN – 017879C)

Sd/-
(Manisha Gupta)
Proprietor
M. No. -066230

Place: Jamshedpur
Date: The 30th Day of May, 2016

RSD Finance Limited
Consolidated Balance Sheet as at 31st March, 2016

| | | Amount in ` | |
|---|----------|------------------------|------------------------|
| Particulars | Note No. | As at 31st March, 2016 | As at 31st March, 2015 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 64,732,400 | 64,732,400 |
| (b) Reserves and Surplus | 4 | 1,066,365,771 | 844,718,980 |
| (2) Minority Interest | | 140,689,583 | - |
| (3) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 136,032,505 | 106,488,039 |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 97,342,453 | 12,194,631 |
| (b) Trade Payables | 7 | 20,835,261 | 20,477,413 |
| (c) Other Current Liabilities | 8 | 51,184,873 | 21,464,684 |
| (d) Short-Term Provisions | 9 | 35,706,650 | 20,981,737 |
| TOTAL | | 1,612,889,496 | 1,091,057,884 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 10 | | |
| (i) Tangible Assets | | 286,311,105 | 30,169,692 |
| (ii) Capital WIP | | - | 233,710 |
| (iii) Intangible Assets | | 372,276 | 539,682 |
| (b) Non-Current Investments | 11 | 800,874,015 | 723,224,500 |
| (c) Deferred Tax Assets (Net) | 12 | (1,261,657) | 4,909,479 |
| (d) Long-Term Loans and Advances | 13 | 133,957,093 | 7,274,987 |
| (2) Current Assets | | | |
| (a) Current Investment | 14 | 260,911,645 | 266,293,400 |
| (b) Inventories | 15 | 16,097,352 | 12,354,484 |
| (c) Trade Receivables | 16 | 9,929,874 | 8,294,833 |
| (d) Cash and Cash Equivalents | 17 | 61,807,482 | 9,233,041 |
| (e) Short-Term Loans and Advances | 18 | 43,890,311 | 28,530,076 |
| TOTAL | | 1,612,889,496 | 1,091,057,884 |
| See accompanying notes to the financial statements | | | |

As per our report of even date attached

For Manisha Gupta & Associates
Chartered Accountants
(FRN No. 017879C)

Sd/-
(Manisha Gupta)
Proprietor
Membership No.066230

Place : Jamshedpur
Dated: The 30th day of May, 2016

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

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Rechan Chhabra
Chief Financial officer

Sd/-
Anureet Kaur
Director
DIN No - 07136456

Sd/-
Simi Sen
Company Secretary

RSD Finance Limited
Consolidated Profit & Loss Statement for the year ended 31st March, 2016

| Particulars | Note No. | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|---|----------|--------------------------------|--------------------------------|
| I. Revenue from Operations | 19 | 406,188,760 | 270,513,458 |
| II. Other Incomes | 20 | 57,600,560 | 31,319,592 |
| III. Total Revenue (I + II) | | 463,789,320 | 301,833,050 |
| IV. Expenses: | | | |
| Cost of Material Consumed | 21 | 144,391,863 | 159,936,850 |
| Cost of Store Consumed | 22 | 6,419,713 | 11,139,896 |
| Change In Inventories of Finishd Goods & Work In Progress | 23 | 79,689 | 5,246,144 |
| Employee Benefit Expenses | 24 | 37,756,189 | 10,410,615 |
| Finance Cost | 25 | 12,075,475 | 3,020,071 |
| Depreciation and Amortization Expenses | 26 | 32,093,087 | 5,333,005 |
| Other Expenses | 27 | 94,949,881 | 41,772,601 |
| Total Expenses | | 327,765,897 | 236,859,182 |
| V Profit before Tax (III - IV) | | 136,023,423 | 64,973,868 |
| VI Tax Expense: | | | |
| (1) Current tax | | 26,307,850 | 13,592,090 |
| (2) Deferred Tax | | 4,163,371 | (862,425) |
| (3) Audjustment related to Earlier Year | | - | 5,167,731 |
| VII Profit/ (Loss) for the Period (V - VI) | | 105,552,202 | 47,076,472 |
| VIII Share of Profit/(Loss) attributable to Minority Interest | | 5,874,394 | - |
| IX Profit For the Year | | 99,677,808 | 47,076,472 |

See accompanying notes to the financial statements

As per our report of even date attached

For Manisha Gupta & Associates
Chartered Accountants
(FRN No. 017879C)

Sd/-
(Manisha Gupta)
Proprietor
Membership No.066230

Place : Jamshedpur
Dated: The 30th day of May, 2016

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

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Rechan Chhabra
Chief Financial officer

Sd/-
Anureet Kaur
Director
DIN No - 07136456

Sd/-
Simi Sen
Company Secretary

Consolidated Cash Flow Statement for the period ended 31st March 2016

| | Previous Year | | Previous Year | |
|--|---------------|----------------------|---------------|---------------------|
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| A Cash Flow From Operating Activities | | | | |
| Net Profit before Tax | | 136,023,423 | | 64,973,868 |
| Depreciation | | 32,093,087 | | 5,333,005 |
| Less : Adjustment for | | 168,116,510 | | 70,306,873 |
| Profit on Sale of Investment | 36,923,035 | | 14,401,321 | |
| Dividend Received | 17,555,042 | | 14,910,264 | |
| Interest Income | 118,981,357 | 173,459,434 | 70,873,194 | 100,184,779 |
| Operating Profit before Working Capital Changes | | (5,342,924) | | (29,877,906) |
| Adjustments for:- | | | | |
| Current Assets | | | | |
| Inventories | (3,742,868) | | 3,885,635 | |
| Trade Receivables | (1,635,040) | | 5,968,872 | |
| Short-Term Loans and Advances | (15,360,235) | | (9,628,082) | |
| Other Current Assets | 5,381,754 | | 38,248,054 | |
| Short Term Borrowings | 85,147,822 | | (2,558,867) | |
| Trade Payables | 357,848 | | (19,431,203) | |
| Other Current Liabilities | 29,720,189 | | 7,203,927 | |
| Short Term Provisions | 28,317,003 | 128,186,473 | (42,794,066) | (19,105,729) |
| Net cash generated from operating activities | | 122,843,549 | | (48,983,635) |
| Tax Paid/Provided | | 11,584,325 | | 16,007,535 |
| Net cash generated from operation [A] | | 111,259,224 | | (64,991,170) |
| B Cash Flow From Investing Activities | | | | |
| Profit on sale of Shares | 36,923,035 | | 14,401,321 | |
| (Purchase)/Sale of Investments | (77,649,515) | | -56571627 | |
| Loans & Advances | (126,682,106) | | 420,703 | |
| Dividend Received | 17,555,042 | | 14,910,264 | |
| Interest Received | 118,981,357 | | 70,873,194 | |
| Purchase of Fixed Assets /Additions due to conso | (287,833,385) | | (1,009,211) | |
| Net cash from investing activities [B] | | (318,705,572) | | 43,024,644 |
| C Cash Flow From Financing Activities | | | | |
| Increase in Reserves due to Consolidation | 89,786,739 | | - | |
| Increase in Minority Interest | 140,689,583 | | - | |
| Proceeds from long term borrowings | 29,544,466 | | 30,540,240 | |
| Net cash from financing activities [C] | | 260,020,788 | | 30,540,240 |
| Net Increase/(Decrease) in Cash & Cash equivalents [A+B+C] | | 52,574,441 | | 8,573,714 |
| Cash & Cash equivalents (Opening balance) | | 9,233,041 | | 659,327 |
| Cash & Cash equivalents (Closing balance) | | 61,807,482 | | 9,233,041 |

For Manisha Gupta & Associates
Chartered Accountants
FRN No. 017879C)

Sd/-
(Manisha Gupta)
Proprietor
Membership No.066230

Place : Jamshedpur
Dated: The 30th day of May, 2016

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

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Rechan Chhabra
Chief Financial Officer

Sd/-
Anureet Kaur
Director
DIN No - 0713645

Sd/-
Simi Sen
Company Secretar

RSD Finance Limited
Notes forming Integral part of the Consolidated Financial Statements

Note# 1

Corporate Information

The Company is duly incorporated under the provisions of Companies Act 1956 as a Public Limited Company. The company also holds the status of Non Banking Finance Company under the provisions of RBI and engaged in the business of Non Banking Financing Activities.

Note# 2

Summary of Significant Accounting Policies

2.0. Principles of Consolidation:

The Consolidated Financial statements consists of RSD Finance Limited(" the Company") and its subsidiary company (collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per accounting standard 21- "
- The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the company i.e 31st march, 2016.

The List of Subsidiary Company which is included in the consolidation and the Group Holdings therein are as under.

| Name of the Company | | Precision Automotive Pvt Ltd | SRP OIL Pvt Ltd |
|---------------------------------|---------|------------------------------|-----------------|
| | 2015-16 | 100 | 52.55 |
| Ownership in % | 2014-15 | 100 | - |
| | 2013-14 | 100 | - |
| Country of Incorporation | | India | India |

2.1. Accounting Policies:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable. and directions prescribed by the Reserve Bank of India. The financial statements are presented in Indian rupees.

2.2. Revenue Recognition:

Income and expenditure are accounted for on accrual basis, wherever ascertainable.

Dividend are recognised only when the right to receive is established

Interest Income is recognised as and when they become accrued.

2.3. Fixed Assets:

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working condition for intended use. The WDV of those assets whose useful life has expired as per the provision of Schedule-II to the Companies Act 2013 has been charged off to Reserve and Surplus available.

2.4. Depreciation:

On fixed assets, depreciation is provided on written down Value method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013, are considered as minimum rates.

Leasehold Land is not depreciated or amortized.

2.5. Investment:

Investments are accounted for as per accounting standard-13 issued by ICAI and duly notified by the Central Government

Long Term Investments are stated at cost of acquisition untill there is a permanent diminution in the value of the investment.

2.6. Retirement Benefits:

Contribution to Provident Fund is made at prescribed rates and charged to the Profit & Loss Account. Leave Encashment is accounted for in the year in which option of encashment is exercised by the employee.

RSD Finance Limited
Notes forming Integral part of the Consolidated Financial Statements

2.7. Contingent Liabilities:

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

2.8. Foreign exchange transactions

The Company during the year did not have foreign exchange transaction.

- 2.9.** No provision has been made in respect of accrued gratuity liability and leave encashment benefit as on 31/03/16 and these will be accounted for on cash basis.

2.10. Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

- 2.11.** The Company has not accepted any Public Deposits during the year under review and the Board of Directors have passed resolution to the effect that the Company has neither accepted Public Deposit nor would accept any public Deposit during the year.
- 2.12.** Borrowing Cost that are directly attributable to the acquisition/ construction of the qualifying asset are capitalised until the time all the substantial activities necessary to prepare such assets for the intended use are complete. All other borrowing costs are recognised as expenditure during the period in which they are incurred.

RSD Finance Limited
Notes forming Integral part of Consolidated Financial Statements

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 | | |
|---|---------------------------|---------------------------|---------------------|----------|
| NOTE # 3 | | | | |
| Share Capital | | | | |
| Authorised Capital | | | | |
| 6,500,000 Equity Shares of ` 10/- each (P.Y. 6,500,000 Equity Shares of ` 10/- each) | 65,000,000 | 65,000,000 | | |
| Issued, Subscribed and Paid up | | | | |
| 6,473,240 Equity Shares of ` 10/- each (P.Y. 6,473,240 Equity Shares of ` 10/- each) | 64,732,400 | 64,732,400 | | |
| | 64,732,400 | 64,732,400 | | |
| NOTE # 3(a) | | | | |
| Reconciliation of the number of shares at the beginning & end of the Reporting Period. | | | | |
| Number of shares at the beginning of the year | 6,473,240 | 6,473,240 | | |
| Addition during the year | - | - | | |
| Number of shares at the end of the year | 6,473,240 | 6,473,240 | | |
| NOTE # 3(b) | | | | |
| Shares held by each shareholder holding more than 5% shares, specifying the number of shares held. | | | | |
| Name of the Shareholder | No of shares | % | No of shares | % |
| Rajeev Singh Dugal | 4,044,540 | 62.48% | 4,044,540 | 62.48% |
| K U Benefit Trust | 791,000 | 12.22% | 791,000 | 12.22% |
| NOTE # 3(c) | | | | |
| Rights, preferences and restrictions attached to shares | | | | |
| The company has one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held | | | | |
| In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | | | |
| NOTE # 4 | | | | |
| Reserves and Surplus | | | | |
| (a) Capital Reserve | | | | |
| As per last Balance Sheet | 236,775 | | 236,775 | |
| Addition during the year | - | | - | |
| | 236,775 | | 236,775 | |
| (b) Statutory Reserve | | | | |
| As per last Balance Sheet | 49,472,659 | | 45,206,841 | |
| Addition during the year | 5,206,738 | | 4,265,818 | |
| | 54,679,397 | | 49,472,659 | |
| (c) Surplus (Profit & Loss Account) | | | | |
| As per last Balance Sheet | 248,176,625 | | 212,165,971 | |
| Addition during the year | 99,677,808 | | 47,076,472 | |
| Less: P/L Appropriation | (280,226) | | - | |
| Less: Proposed Divident including DDT | 6,830,531 | | 6,800,000 | |
| Less: Transfer to Statutory Reserve | 5,206,738 | | 4,265,818 | |
| | 336,097,390 | | 248,176,625 | |
| (d) General Reserve | | | | |
| As per last Balance Sheet | 546,832,921 | | 546,832,921 | |
| Add: Addition during the year | - | | - | |
| | 546,832,921 | | 546,832,921 | |
| (e) Capital Reserve | | | | |
| As per last Balance Sheet | - | | - | |
| Add: Addition during the year | 128,519,288 | | - | |
| | 128,519,288 | | - | |
| | 1,066,365,771 | | 844,718,980 | |

RSD Finance Limited
Notes forming Integral part of Consolidated Financial Statements

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| NOTE # 5 | | |
| Long-Term Borrowings | | |
| 68,00,000 8% Cumulative Non convertible Preference Share of Rs. 10/- each. | 68,000,000 | 68,000,000 |
| <u>Secured Loan</u> | | |
| Vehicle Loan from HDFC Bank(Honda Amaze) | 259,368 | 388,634 |
| Vehicle Loan from Kotak Bank(Honda Amaze) | - | 94,907 |
| Vehicle Loan from Axis Bank(Fortuner) | 511,381 | 850,759 |
| Loan from Kotak Mahindra Investment Limited | 33,000,000 | 33,000,000 |
| Term Loan From AXIS Bank Ltd | 18,045,755 | - |
| <u>Unsecured Loan</u> | 16,216,001 | 4,153,739 |
| | 136,032,505 | 106,488,039 |

* The vehicle loan is financed by way of hypothecation of the vehicle financed.

i) The vehicle loan(Honda Amaze) to be repaid at an EMI of ` 14160

ii) The vehicle loan(Honda Amaze) to be repaid at an EMI of ` 16335

iii) The vehicle loan(Fortuner) to be repaid at an EMI of ` 34390

iv) KMIL Loan is secured by way of pledge/lien of Kotak FMP Series 127(730 days) and other securities as acceptable to KMIL.

v) Term Loans from Axis Bank are secured by exclusive hypothecation charge on stock, book debts and all other current assets present and future, exclusive hypothecation charge on entire movable assets present & future, equitable mortgage of leasehold land admeasuring area around 0.88 acres located at Ramdas Bhatta Area, Bistupur, Jamshedpur along with building of "Hotel

a. Term Loan-I having a limit of ` 370 Lacs, repayable in 17 quarterly installments commenced from Jan'2013.

b. Term Loan-II having a limit of ` 350 Lacs, repayable in 20 quarterly installments commenced from Apr'2013.

c. Term Loan-III having a limit of ` 100 Lacs, repayable in 96 monthly installments commenced from Mar'2016.

NOTE # 6

Short-Term Borrowings

From Banks

| | | |
|---------------------------------|-------------------|-------------------|
| Cash Credit from IDBI Bank Ltd | 11,691,977 | 11,244,631 |
| Cash Credit from AXIS Bank Ltd | 4,070,998 | - |
| OD From Kotak Mahindra Bank Ltd | 30,034,426 | - |
| Others | 51,545,052 | 950,000 |
| | 97,342,453 | 12,194,631 |

Cash Credit is secured by way of

Primary Security

Exclusive charge by way of hypothecation on entire current assets of company both present & future.

Cash Credit from Axis Bank are secured by exclusive hypothecation charge on stock, book debts and all other current assets present and future, exclusive hypothecation charge on entire movable assets present & future, equitable mortgage of leasehold land admeasuring area around 0.88 acres located at Ramdas Bhatta Area, Bistupur, Jamshedpur along with building of "Hotel

OD Facility of Rs. 7.70 Crore from Kotak Mahindra Bank is secured by way pledging of ICICI FMP of Rs. 2.00 Crore & two FMP (from Birla Sun Life & Kotak Mahindra) of Rs. 6.50 Crore in the name of Mr. R.S Dugal (Managing Director)

Collateral Security

Equitable mortgage of Land admeasuring an area of about 15000 sq feet and construction thereon located at adityapur.

Exclusive charge by way of hypothecation on entire movable fixed assets, excluding vehicles of the company hypothecated to other banks/financial institutions both present & future.

Personal Guarantee

Personal guarantee of of Mr. Rajeev Singh Dugal(Director) and Mrs. Kawaljeet Dugal.

NOTE # 7

Trades Payable

Trades Payable

| | | |
|--------------|-------------------|-------------------|
| Stores | 2,912,463 | 3,654,062 |
| Raw Material | 17,922,798 | 16,823,351 |
| | 20,835,261 | 20,477,413 |

RSD Finance Limited
Notes forming Integral part of Consolidated Financial Statements

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|---|-----------------------------------|-----------------------------------|
| NOTE # 8 | | |
| Other Current Liabilities | | |
| Current Maturities of Long-Term Debt | 19,814,331 | 872,573 |
| Advance Received Against Investment | 6,189,520 | 3,523,520 |
| Creditors | 18,002,073 | 12,830,236 |
| Government Liabilities | 479,158 | - |
| Accrued Salary & Wages | 1,996,424 | 490,981 |
| Bonus Payable | 108,022 | 271,573 |
| Earn Leave Payable | 4,922 | 33,538 |
| Interest Earned but not Accrued | 2,496,575 | 2,496,575 |
| Audit Fees Payable | 339,550 | 63,000 |
| TDS Payable | 598,974 | 771,489 |
| Other Payable | 1,100,288 | 59,211 |
| EPF/ESIC Payable | 55,036 | 51,988 |
| | 51,184,873 | 21,464,684 |
| NOTE # 9 | | |
| Short-Term Provisions | | |
| Provision for Gratuity | 568,731 | 589,647 |
| Others | 2,000,000 | - |
| Provision for Dividend Distribution Tax | 1,390,531 | 1,360,000 |
| Provision for Dividend | 5,440,000 | 5,440,000 |
| Provision for Tax | 26,307,388 | 13,592,090 |
| | 35,706,650 | 20,981,737 |

RSD Finance Limited
Notes Forming Part of Consolidated Financial Statement

NOTE # 10
Tangible Assets as on 31st March 2016

| S.NO | PARTICULARS | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | | NET BLOCK | |
|------|--------------------------|--------------------------|------------------------------|--|---------------------------|--------------------|------------------------------|--|--------------------|--|--|
| | | COST AS ON 01.04.2015 | ADDITIONS DURING THE YEAR | SALE / DISPOSAL DURING THE YEAR | TOTAL AS ON 31.03.2016 | UPTO 01.04.2015 | ADDITIONS DURING THE YEAR | SALE / DISPOSAL DURING THE YEAR | UPTO 31.03.2016 | NET CARRYING AMOUNT AS ON 31.03.2016 | NET CARRYING AMOUNT AS ON 31.03.2015 |
| | Tangible Assets | | | | | | | | | | |
| 1 | Land | 34,702,801 | - | - | 34,702,801 | - | - | - | - | 34,702,800 | 34,702,801 |
| 2 | Building | 180,363,054 | 477,094 | - | 180,840,148 | 29,879,480 | 7,467,757 | - | 37,347,236 | 143,492,912 | 150,483,574 |
| 3 | Plant & Machinery | 98,584,942 | 3,353,964 | - | 101,938,906 | 44,790,267 | 10,375,843 | - | 55,166,110 | 46,772,796 | 53,794,675 |
| 4 | Furniture & Fixtures | 40,017,220 | 327,867 | 23,242 | 40,321,845 | 22,036,793 | 5,929,283 | 5,242 | 27,960,834 | 12,361,011 | 17,980,427 |
| 5 | Vehicles | 8,277,659 | - | - | 8,277,659 | 4,656,462 | 1,291,854 | - | 5,948,316 | 2,329,343 | 3,621,197 |
| 6 | Office Equipment | 2,653,721 | 55,375 | - | 2,709,096 | 1,867,666 | 464,224 | - | 2,331,890 | 377,206 | 786,055 |
| 7 | Electrical Installation | 28,066,988 | 12,206 | - | 28,079,194 | 13,807,558 | 4,119,526 | - | 17,927,084 | 10,152,110 | 14,259,430 |
| 8 | Computers | 6,386,131 | 746,480 | 45,000 | 7,087,611 | 4,811,832 | 823,020 | 42,750 | 5,592,102 | 1,495,509 | 1,574,299 |
| 9 | Airconditioners | 246,471 | - | - | 246,471 | 91,634 | 27,585 | - | 119,220 | 127,251 | 154,837 |
| 10 | Generators Set | 304,562 | - | - | 304,562 | 298,686 | 3,876 | - | 302,562 | 2,000 | 5,876 |
| 11 | Xerox Machine | 121,436 | - | - | 121,436 | 121,435 | - | - | 121,435 | 1 | 1 |
| 12 | Printer | 7,000 | - | - | 7,000 | 5,440 | 1,210 | - | 6,650 | 350 | 1,560 |
| 13 | Refrigerator | 33,000 | - | - | 33,000 | 7,934 | 4,430 | - | 12,364 | 20,636 | 25,066 |
| 14 | Telephone & Mobile | 29,750 | - | - | 29,750 | 7,146 | 3,847 | - | 10,993 | 18,757 | 22,604 |
| 15 | Solar Power Plant | - | 34,300,000 | - | 34,300,000 | - | 837,426 | - | 837,426 | 33,462,574 | - |
| 16 | LCD Television | 3,273,185 | - | - | 3,273,185 | 2,272,078 | 557,065 | - | 2,829,143 | 444,042 | 1,001,107 |
| | Sub Total (A) | 403,067,917 | 39,272,986 | 68,242 | 442,272,661 | 124,654,411 | 31,906,949 | 47,992 | 156,513,365 | 285,759,295 | 278,413,506 |
| | Capital WIP | | | | | | | | | | |
| | Building | 233,710 | 318,100 | - | 551,810 | - | - | - | - | 551,810 | 233,710 |
| | Sub Total (B) | 233,710 | 318,100 | - | 551,810 | - | - | - | - | 551,810 | 233,710 |
| | Intangible Assets | | | | | | | | | | |
| | ROC Fees | 899,470 | - | - | 899,470 | 359,788 | 179,894 | - | 539,682 | 359,788 | 539,682 |
| | Copyright | 60,674 | - | - | 60,674 | 41,942 | 6,244 | - | 48,186 | 12,488 | 18,732 |
| | Sub Total (C) | 960,144 | - | - | 960,144 | 401,730 | 186,138 | - | 587,868 | 372,276 | 558,414 |
| | TOTAL (A+B+C) | 404,261,771 | 39,591,086 | 68,242 | 443,784,615 | 125,056,141 | 32,093,087 | 47,992 | 157,101,233 | 286,683,381 | 279,205,630 |
| | Previous Year | 67,064,190 | 1,106,400 | 97,190 | 68,073,400 | 31,797,311 | 5,333,005 | - | 37,130,316 | 30,943,084 | 35,266,879 |

RSD Finance Limited
Notes forming Integral part of Consolidated Financial Statements

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| NOTE # 11 | | |
| Non-Current Investments | | |
| Investments in Property | | |
| | 6,616,775 | - |
| | 6,616,775 | - |
| Investments in Equity Instruments | | |
| (a) Equity Shares (Quoted) | | |
| Sanra Media Limited | 309,681 | 260,546 |
| Lord Chloro Alkali Limited | 1,100,000 | - |
| | 1,409,681 | 260,546 |
| (b) Equity Shares (Unquoted) | | |
| Investment in Unquoted Shares | 36,723,400 | 44,856,050 |
| | 36,723,400 | 44,856,050 |
| (c) Investments in Mutual Funds | | |
| Kotak FMP Series 127- Growth | - | 50,000,000 |
| Reliance Capital Builder Fund | 10,000,000 | - |
| | 10,000,000 | 50,000,000 |
| (d) Investments in Bonds | | |
| HUDCO Tax Free Bonds | 25,000,000 | 15,000,000 |
| | 25,000,000 | 15,000,000 |
| (e) Investments in NCD/ICD/PMS | | |
| Shambhvi NCD | - | 27,796,608 |
| Wadhwa NCD | - | 9,942,726 |
| Inesh Realtors Pvt Ltd | 43,950,375 | 51,450,000 |
| NCD with Akshya | 16,654,399 | 30,280,726 |
| NCD with JR Housing | - | 12,941,175 |
| NCD with Ansal Hi Tech Township | 150,000,000 | 150,000,000 |
| NCD with Rajesh Builder | 60,000,000 | 61,364,383 |
| IDFC Real Estate Fund | 19,053,534 | 12,276,583 |
| F & O Margin with Kotak | 612,106 | 2,976,679 |
| Total Environment NCDs | - | 65,838,533 |
| Vasathi NCD | 40,000,000 | - |
| NCD with Indiabulls Real Estate Fund | 19,791,360 | - |
| NCD with Krishna Enterprises(H & I) India Pvt Ltd | 10,000,000 | - |
| Indostar Credit Fund | 6,600,000 | - |
| Krishna Enterprises(H & I) India Pvt Ltd | 12,000,000 | - |
| Ansal Hi-tech Township Ltd. | 60,000,000 | - |
| Umang Realtech Pvt Ltd. | 6,910,386 | - |
| Zodius Technology Fund | 17,010,235 | 8,000,000 |
| Quest Investment Advisors Pvt Ltd | 12,532,705 | 11,069,801 |
| Unifi Capital Private Limited | 6,430,998 | 6,009,287 |
| Ambit Alpha Fund | 10,000,000 | - |
| Forefront Alternative Investment Fund | 15,000,000 | - |
| PMS with ASK | 405,722 | 22,117,037 |
| PMS with ICICI | 204,172,339 | 141,044,366 |
| | 711,124,159 | 613,107,904 |
| (f) Investments in Partnership Firm | | |
| Investment in SIGMA HTS LLP | 10,000,000 | - |
| | 10,000,000 | - |
| | 800,874,015 | 723,224,500 |

RSD Finance Limited
Notes forming Integral part of Consolidated Financial Statements

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|---|-----------------------------------|-----------------------------------|
| NOTE # 12 | | |
| Deferred Tax Assets (Net) | | |
| Deferred Tax | (1,261,657) | 4,909,479 |
| | (1,261,657) | 4,909,479 |
| NOTE # 13 | | |
| Long-Term Loans and Advances | | |
| <i>Secured</i> | | |
| Corporate Loan | | |
| ALM Infotech | 15,000,000 | - |
| Santosh Trust | 50,000,000 | - |
| ETL | 67,734,863 | - |
| <i>Unsecured, Considered Good</i> | | |
| (a) Capital Advances | (11,131) | (20,758) |
| (b) Security Deposit | 1,038,338 | 1,063,337 |
| (c) Loans & Advances to related parties | - | 1,545,000 |
| (d) Other Loans & Advance | 195,023 | 4,687,408 |
| | 133,957,093 | 7,274,987 |

RSD Finance Limited
Notes forming Integral part of Consolidated Financial Statements

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| NOTE # 14 | | |
| Current Investments | | |
| Investments in Equity Instruments | | |
| (a) Equity Shares (Quoted) | 37,514,609 | 53,972,286 |
| | 37,514,609 | 53,972,286 |
| (b) Investments in Mutual Funds | | |
| Reliance Capital Builder Fund | - | 10,000,000 |
| Reliance Small Cap Fund | - | 500,000 |
| Birla Sunlife Cash Plus-Growth | 1,202,920 | 12,262,824 |
| Birla Infrastructure Fund-Growth | - | 15,000,000 |
| Birla Sunlife Top 100 Fund | 15,515,909 | 15,515,909 |
| Birla Sunlife Emerging Leader Fund | 1,000,000 | 1,000,000 |
| Frankline India Prima Fund | - | 5,625,000 |
| Frankline India Smaller Companies Fund | - | 3,400,000 |
| HDFC Mid-Cap Opportunity Fund | - | 5,625,000 |
| IDFC All Season Bond Fund- TP DP-Growth | 20,000,000 | 20,000,000 |
| IDFC Arbitrage Plus Fund DR Plan Dividend | - | 8,000,000 |
| IDFC Dynamic Bond Fund DR | 500,000 | 500,000 |
| IDFC-GSF-IP Growth DP | 1,089,085 | 1,000,000 |
| IDFC-Money Manager Fund | 24,192,335 | 19,353,243 |
| IDFC G. Security Fund | 1,022,000 | 1,022,000 |
| IDFC Sterling Equity Fund | 2,500,000 | 3,125,000 |
| IDFC Monthly Income Plan | 13,112,447 | - |
| IDFC Premier Equity Fund | 190,000 | - |
| ICICI Prudential Export & Other Ser. Fund | - | 2,500,000 |
| ICICI Prudential Bluechip Equity | - | 3,000,000 |
| ICICI Prudential Value Discovery Fund | - | 5,625,000 |
| ICICI Prudential Value Series-4 | 1,000,000 | 1,000,000 |
| ICICI FMP Series 75-1246 Days | 20,000,000 | 20,000,000 |
| Kotak Bond Scheme Plan-A | - | 5,000,000 |
| Kotak Select Focus Fund Regular Plan Growth | 11,244,990 | 14,744,990 |
| Kotak Treasury Advantage Fund Growth | 6,160,707 | 27,456,104 |
| Kotak India Growth Fund | 20,000,000 | - |
| Kotak Floater | 5,034,630 | - |
| MOST Focused Midcap Fund - 30 | 1,000,000 | - |
| MOST Focused Multicap Fund - 35 | 4,000,000 | - |
| Reliance Liquid Fund | 10,569,344 | - |
| Reliance Monthly Interval Fund | 20,000,000 | - |
| SBI Treasury Advancetage Fund | 34,300,000 | - |
| Sundaram SMILE | - | 5,000,000 |
| Sundaram Growth Fund Regular Plan | 9,762,669 | 5,691,091 |
| | 223,397,036 | 211,946,161 |
| © Investments in PMS | | |
| PMS with Estee Advisor | - | 374,953 |
| | - | 374,953 |
| | 260,911,645 | 266,293,400 |
| NOTE # 15 | | |
| Inventories | | |
| Raw Material | 16,097,352 | 10,839,336 |
| Work In Progress | - | 331,856 |
| Stores & Spares | - | 1,183,292 |
| | 16,097,352 | 12,354,484 |

RSD Finance Limited
Notes forming Integral part of Consolidated Financial Statements

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| NOTE # 16 | | |
| Trade Receivables | | |
| <i>Unsecured, Considered Good</i> | | |
| - Outstanding for a period exceeding six months | - | 61,963 |
| - Others | 9,929,874 | 8,232,870 |
| | 9,929,874 | 8,294,833 |
| NOTE # 17 | | |
| Cash and Cash Equivalents | | |
| Balance with Banks | | |
| Current Account | 60,913,687 | 8,587,092 |
| Deposit Account | | |
| - Matgine Money deposits against Bank Guarantee | 65,579 | 255,500 |
| -Others | 89,103 | 81,612 |
| Cash in Hand | 739,113 | 308,837 |
| <i>(as per cash book and duly cetified by the management)</i> | 61,807,482 | 9,233,041 |
| NOTE # 18 | | |
| Short-Term Loans and Advances | | |
| <i>Unsecured, considered good</i> | | |
| Loans and advances to Related Parties | - | 9,271,216 |
| Advance to staff | 380,103 | 48,134 |
| Advance to for Expenses | 803,430 | 33,945 |
| Kotak Securities | (265,341) | (285,624) |
| Receivable from Barclays | - | 447,347 |
| Other Advances | 8,120,965 | 181,048 |
| Balance with Revenue Authorities | 34,851,154 | 18,834,010 |
| | 43,890,311 | 28,530,076 |

RSD Finance Limited
Notes forming Integral part of the Consolidated Financial Statements

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| NOTE # 19 | | |
| Revenue From Operations | | |
| Sale of Finished Goods | 160,321,703 | 218,826,044 |
| Less: Excise Duty | 17,815,369 | 24,279,917 |
| Total [A] | 142,506,334 | 194,546,127 |
| Discount Received | 3,073,474 | 171,226 |
| Job Work & Sale of Services | 141,627,595 | 4,922,911 |
| Total [B] | 144,701,069 | 5,094,137 |
| Interest Income | 118,981,357 | 70,873,194 |
| Total [A+B] | 406,188,760 | 270,513,458 |
| NOTE # 20 | | |
| Other Incomes | | |
| Other Incomes | 3,122,483 | 2,008,007 |
| Net Gain on sale of Investments | 36,923,035 | 14,401,321 |
| Dividend Income | 17,555,042 | 14,910,264 |
| | 57,600,560 | 31,319,592 |
| NOTE # 21 | | |
| Cost of Material Consumed | | |
| Opening Stock of Material | 17,174,613 | 9,646,479 |
| Add: Material Purchase | 141,938,474 | 161,129,707 |
| Less: Closing Stock of Material | 14,721,224 | 10,839,336 |
| Raw Material Consumed (Op + Put - Cl) | 144,391,863 | 159,936,850 |
| | 144,391,863 | 159,936,850 |
| NOTE # 22 | | |
| Cost of Store Consumed | | |
| Opening Stock of Store | 1,183,292 | 1,015,641 |
| Add: Store Purchase | 6,360,382 | 11,307,547 |
| Less: Closing Stock of Store | 1,123,961 | 1,183,292 |
| Store Consumed (Op + Put - Cl) | 6,419,713 | 11,139,896 |
| | 6,419,713 | 11,139,896 |

RSD Finance Limited
Notes forming Integral part of the Consolidated Financial Statements

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|--------------------------------|--------------------------------|
| NOTE # 23 | | |
| Change in Inventories | | |
| A) Finished Goods | | |
| Add: Opening Stock | - | 3,731,072 |
| Add: Excise Duty on Opening Stock | - | 461,000 |
| Less: Closing Stock | - | - |
| Less: Escise Duty on Cl. Stock | - | - |
| Total [A] | - | 4,192,072 |
| A) Work-In-Progress | | |
| Add: Opening Stock | 331,856 | 1,385,928 |
| Less: Closing Stock | 252,167 | 331,856 |
| Total [B] | 79,689 | 1,054,072 |
| Total [A+B] | 79,689 | 5,246,144 |
| NOTE # 24 | | |
| Employee Benefit Expenses | | |
| Salaries & Bonus Including Staff Exp | 31,991,507 | 9,433,258 |
| Contribution to PF and Other Funds | 965,275 | 410,183 |
| Staff & Labour Welfare Expenses | 4,799,407 | 567,174 |
| | 37,756,189 | 10,410,615 |
| NOTE # 25 | | |
| Finance Costs | | |
| Interest on Cash Credit | 7,858,737 | 1,029,490 |
| Interest on Term Loan | 36,000 | - |
| Interest on Statutory Payment | 44,621 | 6,832 |
| Interest on Unsecured Loan | 249,224 | 236,455 |
| Interest on Short Term Loan | 3,694,097 | 1,460,727 |
| Interest on Car Loan | 192,796 | 286,567 |
| | 12,075,475 | 3,020,071 |
| NOTE # 26 | | |
| Depreciation & Amortised Cost | | |
| Depreciation | 32,093,087 | 5,333,005 |
| | 32,093,087 | 5,333,005 |

RSD Finance Limited
Notes forming Integral part of the Consolidated Financial Statements

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| NOTE # 27 | | |
| Other Expenses | | |
| Power & Fuel | 17,822,954 | 3,206,635 |
| Carriage Inward & Freight Charges | 2,697,365 | 1,316,101 |
| Repair & Maintenance | 8,093,508 | 997,971 |
| Operation & Maintenance Charges for Solar | 84,992 | - |
| Generator Hire Charges | 180,000 | 180,000 |
| Security Charges | 4,203,208 | 2,453,520 |
| Horticulture & Gardening Exp | - | 8,040 |
| Weightment Expenses | 31,550 | 20,861 |
| Calibration Charges | 40,695 | 58,535 |
| Consultancy & Retainership fees | - | 4,646,298 |
| Insurance Charges | 1,647,480 | 531,903 |
| Listing Fees & Annual Charges | 3,285,114 | - |
| Director Remuneration | - | 1,590,000 |
| Professional Fees & Expenses | 3,771,451 | 819,007 |
| Rent,Rates & Taxes | 6,759,493 | 1,243,353 |
| Discoumt Allowed | 1,965,338 | 1,215,170 |
| Conveyance & Travelling | 2,172,735 | 1,028,177 |
| Transportation, Loading & Unloading Charges | 2,447,126 | - |
| Audit fees | 142,500 | 80,000 |
| Audit Expenses | - | 7,541 |
| Printing & Stationery | 372,851 | 100,345 |
| Commission | - | 227,102 |
| Postage ,Telegram & Telephone | 1,696,460 | 399,697 |
| Bank Charges | 447,173 | 251,688 |
| Interest on Statutry Dues | 557,769 | 39,702 |
| Carriage Outwards | 997,524 | 1,070,084 |
| General Expenses | 2,718,492 | 943,968 |
| Fees & Subscription | 209,208 | - |
| Management and Upfront Fees | 8,789,885 | 6,475,596 |
| Zinc Plating | 2,486,292 | 1,091,542 |
| Job Offloading | 16,584,742 | 10,318,927 |
| Advertisement Expenses | 41,497 | 49,412 |
| Business Promotion Expenses | 292,354 | 425,550 |
| Car Hire Charges | - | 240,611 |
| Dmat Charges | 54,695 | 109,490 |
| Office Maintenance | 526,529 | 625,775 |
| Rates Difference Charges on Earlier Your | 3,828,901 | - |
| | 94,949,881 | 41,772,601 |

RSD FINANCE LIMITED
Notes forming Integral part of the Consolidated Financial Statements

Note# 28

| The Subsidiary company consider in the consolidated financial statement are: | | | | |
|--|--------------------------|-------------------|--------------------|---------------------------------------|
| Name of the subsidiary | Country of Incorporation | Extent of Holding | Reporting Currency | Effective date of Becoming Subsidiary |
| Precision Automotive Private Limited | India | 100% | Indian Rupees | 01.04.2014 |
| SRP Oil Private Limited | India | 52.55% | Indian Rupees | 30.09.2015 |

Note# 29

Earning Per Share (EPS)

Particular

Current Year

Net Profit after Tax

99,677,808

Number of Equity Share

6,473,240

Basic EPS

15.40

Note# 30

The Balance of Loans & Advances are subject to confirmation

Note# 31

The Company has not received information from vendors regarding their status under the Micro, small & Medium Enterprises development Act 2006 & hence disclosure relating to amount unpaid as at the year end together with interest paid/payable.

Note# 32

No Provision has been made in respect of leave encashment benefit as on 31.03.2016 and these will be accounted for on cash basis

Note# 33

There is no Impairment assets as on 31.03.2016

Note# 34

Previous years figures have been Regrouped or Rearranged where ever required necessary and accounts have been rounded off to nearest Rupees.

As per our report of even date attached

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

Manisha Gupta
Chartered Accountant
(Registration No. 017879C)

Sd/-
(Manisha Gupta)
Proprietor
M.No 066230

Place: Jamshedpur
Dated: The 30th day of May, 2016

Sd/-
Rajeev Singh Dugal
Managing Director
DIN No - 00052037

Sd/-
Rechan Chhabra
Chief Financial officer

Sd/-
Anureet Kaur
Director
DIN No - 07136456

Sd/-
Simi Sen
Company Secretary

RSD FINANCE LIMITED
Notes forming Integral part of the Consolidated Financial Statements

Calculation of Minority Interest

S R P Oil Pvt Ltd

| | |
|---------------------------------|------------|
| Date of Subsidiary Relationship | 01.10.2015 |
| Holding of Share | 52.55% |
| Minority Holding | 47.45% |

| | |
|---|------------------|
| A. Share Capital | 49170000 |
| B. Security Premium | 118290000 |
| C. Profit & Loss Account as on 01.04.2015 | 119176937 |
| Less: Opening Adjustment AS PER Balance Sheet | 2516874 |
| Value of SRP OIL PVT LTD | 284120063 |

| | |
|--|------------------|
| Value of Minority Interest on Opeing Capital & Reserves | 134815189 |
|--|------------------|

| | |
|--|---------|
| Add : Addition During the Year | 5874394 |
| (Profit during the Year 1,23,80,176.00) | |

| | |
|--|------------------|
| Value of Minority Interest as on 31.03.2016 | 140689583 |
|--|------------------|

FORM A

Pursuant to regulation 33(3)(d) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

For and on behalf of RSD Finance Ltd

| SL. NO. | PARTICULARS | DETAILS |
|---------|--|---|
| 01 | Name of Company | RSD Finance Ltd |
| 02 | Annual Financial Statements for the year ended | Annual Consolidated financial statement for the year ended March 31, 2016 |
| 03 | Type of Audit Observation | UNQUALIFIED |
| 04 | Frequency of Observation | Annually |
| 05 | To be Signed by: CEO/Managing Director CFO/ General Manager Auditors of the Company Audit Committee Chairman | |

Sd/-

Rajeev Singh Dugal
Managing Director

Sd/-

Rechan Chhabra
Chief Financial Officer

Sd/-

Sushil Kumar Khowala
Chairman of Audit Committee
(During the period under review)

Manisha Gupta
Proprietor

Membership No: 066230

Sd/-

For, M/S Manisha Gupta & Associates
Chartered Accountants
Firm Registration No. 017879C

RSD FINANCE LIMITED

CIN- L17222WB1963PLC025749

Regd. Office: 224 A. J. C. Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata- 700 017

Website: www.rsdfinancelimited.com; Email: rsdfinance.ltd@gmail.com; Ph: (033) 6900 0200/ (0657) 6515324

ATTENDANCE SLIP

(To be signed and handed over at the entrance of the meeting hall)

Registered Folio / DP ID
& Client ID :

Name and Address
of the Shareholder :

Joint Holder(s) :

No. of Shares :

I/ We hereby record my/ our presence at the **FIFTY-THIRD ANNUAL GENERAL MEETING** of the members of the Company held on **Saturday, 24th September 2016 at 02.30 P.M.** at the Registered office of the Company at 224, AJC Bose Road, Krishna Building, 9th Floor, Room No- 902, Kolkata – 700 017

Member' Folio/DP ID- Client ID No.

Member/proxy name in Block letters

Member/ proxy's signature

Note: Please complete the Folio/ DP ID- Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the **ENTRANCE OF THE MEETING HALL.**

ELECTRONIC VOTING PARTICULARS

| EVEN (EVOTING EVENT NO.) | User ID | Password/PIN |
|--------------------------|---------|--------------|
| 105050 | | |

Note: Members are requested to read “**Note No. V**” in the Notice of the 53rd Annual General Meeting, being sent herewith, in respect of the instruction for voting through electronic means. The voting period starts from 9:00 am on September 20, 2016 and ends at 5:00 pm on September 23, 2016.

RSD FINANCE LIMITED

CIN: L17222WB1963PLC025749

Regd. Office: 224 A. J. C. Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata- 700 017

Website: www.rsdfinancelimited.com; Email: rsdfinance.ltd@gmail.com; Ph: (033) 6900 0200/ (0657) 6515324

PROXY FORM

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

| |
|-------------------------|
| Name of the Member(s) : |
| Registered Address : |
| E-mail Id : |
| Folio No./Client Id: |
| DP ID : |

I/We, being the member(s) of _____ shares of the RSD Finance Limited, hereby appoint:

- 1) Name: _____
Address: _____
Email Id : _____, or failing him

- 2) Name: _____
Address: _____
Email Id : _____, or failing him

- 3) Name: _____
Address: _____
Email Id : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Fifty Third Annual General Meeting** of the members of the Company to be held on **Saturday, 24th September, 2016 at 02:30 p.m.** at the Registered office of the company at 224, A.J.C. Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata, West Bengal-700017 and at any adjournment thereof in respect of such resolution as are indicated below:

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

| Resolutions | For | Against |
|--|-----|---------|
| 1. Receive, Consider, Approve and Adopt the Audited Financial Statement (including consolidated financial statements) for the year ended March 31, 2016 and the report of Directors and Auditors thereon | | |
| 2. Re-appointment of Mr. Roop Narayan Choudhary, a Director retiring by rotation | | |
| 3. Ratification of appointment of Statutory Auditors of the Company | | |

Signed this _____ day of _____ of 2016

(Affix Revenue Stamp)

Signature of the Shareholder: _____

Signature of first proxy holder: _____

Signature of second proxy holder: _____

Signature of third proxy holder: _____

Note:

- 1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.**
- 2) **A proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.**
- 3) Appointment of a proxy does not prevent a member from attending the meeting in person if he wishes so. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the proxy will stand automatically revoked.
- 4) This is only optional. Please put a 'V' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any of the resolutions, your proxy will be entitled to vote at the meeting in the manner he/she thinks appropriate.**
- 5) In case of Joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.
- 6) **Undated proxy form will not be considered valid.**
- 7) This form will be valid only if it is duly completed in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.

- 8) This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
- 9) If Company receives multiple proxies for the same holding of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

ROUTE MAP



via Bankura - Beliatar - Sonamukhi - Khandaghosh - Nischintapur Rd
21 min without traffic

34 min
11.4 km



via Bankim Setu
20 min without traffic

35 min
8.7 km