

JAIN SONS FINLEASE LIMITED

Regd. Office: 554, First Floor
Automobile Market, Hisar, Haryana - 125001

NOTICE

NOTICE IS HEREBY GIVEN THAT FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY, WILL BE HELD ON THURSDAY, THE 26TH DAY OF JULY 2012, AT 10:00 A.M., AT REGISTERED OFFICE OF THE COMPANY AT 554, FIRST FLOOR, AUTOMOBILE MARKET, HISSAR, HARYANA - 125 001, TO TRANSACT THE FOLLOWING BUSINESS:

Item No. 1

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31-3-2012 and the statement of Profit & Loss Account for the year ended on that date, along with the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit to pass with or without modifications, the following resolution as Ordinary Resolution:

"RESOLVED THAT M/s. Walker, Chandiok & Co, Chartered Accountants be and are hereby appointed Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting."

Item No.2

SPECIAL BUSINESS:

Regularisation of Additional Directors

To consider and if thought fit to pass with or without modifications, the following resolutions as Ordinary Resolution:

(a) RESOLVED THAT Mr. Mani Raman Subra, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article No. 85 of the Article of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

(b) RESOLVED THAT Mr. Sanjib Kumar Jha, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article No. 85 of the Article of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has

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received a notice in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

(c) **RESOLVED THAT** Mr. Manoj Kumar Nambiar, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article No. 85 of the Article of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

For and on behalf of the Board of
Jain Sons Finlease Limited


Sanjib Kumar Jha
Director


Manoj Kumar Nambiar
Director



Place: Haryana
Dated: 28/6/2012

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
3. An Explanatory Statements pursuant to Section 173 (2) of the Companies Act 1956 relating to the Special Businesses to be transacted at the meeting are annexed hereto.
4. Members desiring any information on Accounts or other items of Agenda are requested to write to the Company at its Registered Office at least ten days before the date of Annual General Meeting to enable the Management to keep the information ready.
5. Persons attending the Meeting are requested to bring their copy of Annual Report with them at the Meeting.
6. Members/Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.

For and on behalf of the Board of
Jain Sons Finlease Limited


Sanjib Kumar Jha
Director


Manoj Kumar Nambiar
Director

Place: Haryana
Dated: 28/6/2012

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 2 (a)

Mr. Mani Raman Subra, was appointed as an Additional Director by the Board of Director with effect from December 23, 2011 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 85 of Article of Association of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 and Article No. 85 of the Article of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

The Board feels that presence of Mr. Mani Raman Subra on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 2 (a) for adoption.

None of the Directors, except Mr. Mani Raman Subra is concerned or interested in this resolution.

The Board recommends resolution under item no. 2 (a) to be passed as ordinary resolution.

(b) Mr. Sanjib Kumar Jha, was appointed as an Additional Director by the Board of Director with effect from December 23, 2011 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 85 of Article of Association of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 and Article No. 85 of the Article of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

The Board feels that presence of Mr. Sanjib Kumar Jha on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 2 (b) for adoption.

None of the Directors, except Mr. Sanjib Kumar Jha is concerned or interested in this resolution.

The Board recommends resolution under item no. 2 (a) to be passed as ordinary resolution.

(c) Mr. Manoj Kumar Nambiar, was appointed as an Additional Director by the Board of Director with effect from December 23, 2011 in accordance with the provisions of Section 260

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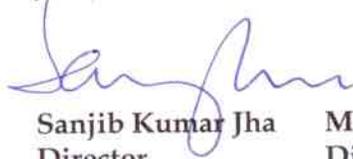
of the Companies Act, 1956 and Article 85 of Article of Association of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 and Article No. 85 of the Article of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

The Board feels that presence of Mr. Manoj Kumar Nambiar on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 2 (c) for adoption.

None of the Directors, except Mr. Manoj Kumar Nambiar is concerned or interested in this resolution.

For and on behalf of the Board of
Jain Sons Finlease Limited


Sanjib Kumar Jha
Director


Manoj Kumar Nambiar
Director



Place: Haryana
Dated: 28/6/2012

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DIRECTOR'S REPORT

The Directors present the Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2012.

FINANCIAL PERFORMANCE

The financial performance of your Company for the Financial Year 2011-2012 has been as under:

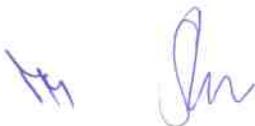
Particulars	(Amount in ₹)	
	Financial Year	Previous Year
	2011-12	2010-11
Income (Includes Other Income)	16,56,682	14,21,626
Less: Expenditure	32,84,934	14,22,762
Profit before Depreciation, Interest & Taxes and Adjustments	(16,28,251)	(1,136)
Prior Period Adjustments	NIL	NIL
Depreciation	11,331	4,441
Interest	NIL	NIL
Profit Before Tax	(16,39,583)	(5,577)
Provision for Tax/Deferred Tax	(4,417)	4,417
Profit/(loss) After Tax	(16,35,166)	(9,994)

BUSINESS OPERATIONS

The Company is registered as a non-deposit taking, non-banking financial company (NBFC) under the rules and regulations framed by the Reserve Bank of India ("the RBI"). The main operation of the Company is into retail lending to SME group.

DIVIDEND

Your Directors regret their inability to recommend any dividend keeping in view of further requirements of funds as well as inadequacy of profits of the company.



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DIRECTOR'S

The Management and Board members has changed with effect from 23rd December, 2011, the then existing Directors (i) Mr. Ananda Swaroop Adavani (ii) Ms. Maniswetha Tetali and (iii) Mr. Upendra Reddy has resigned and the Directors were appointed are (i) Mr. Mani Raman Subra, (ii) Mr. Sanjib Kumar Jha and (iii) Mr. Manoj Kumar Nambiar.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Energy Conservation & Technology Absorption:

The information as required under Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption are not applicable as the company is not carry on any manufacturing activity during the year.

Foreign Exchange Earnings & Outgo:

Particulars	₹ in million)	
	Financial Year	Previous Year
	2011-12	2010-11
Total Expenditure in Foreign Currency	NIL	NIL
Total earnings in Foreign Currency	NIL	NIL

AUDITOR'S

The auditors of the Company M/s. Walker, Chandiook & Co, Chartered Accountants retire at this meeting and are eligible for re-appointment, if made, will be in accordance with Sub section (8) of Section 224 of the Companies Act, 1956.

INFORMATION U/S 217(2A) OF THE COMPANIES ACT, 1956

None of the employees or Director are covered in respect of whom the prescribed particulars are required to be furnished under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975, as amended vide Notification No. GSR 289 (E) dated 31.03.2011.



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DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the company hereby state and confirm that:

- I) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to the material departures.
- II) The directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review.
- III) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV) The Directors have arranged preparation of the accounts for the financial year ended March 31, 2012 on a "going concern" basis.

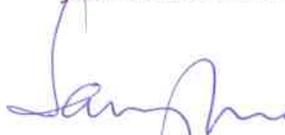
FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of section 58A of the Companies Act 1956.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from Shareholders, Banks, Business Associates and Customers. Your directors are grateful for the support extended by them.

For and on behalf of the Board of
Jain Sons Finlease Limited


Sanjib Kumar Jha
Director


Manoj Kumar Nambiar
Director

Place: Haryana
Dated: 28/6/2012

Financial Statements and Auditors' Report

Jain Sons Finlease Limited

31 March 2012

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Walker, Chandiook & Co

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Kundan Bagh, Begumpet
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Auditors' Report

To the Members of Jain Sons Finlease Limited

1. We have audited the attached Balance Sheet of Jain Sons Finlease Limited ('the Company') as at 31 March 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The financial statements dealt with by this report are in agreement with the books of account;
 - (d) On the basis of written representations received from the directors, as on 31 March 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Mumbai, New Delhi and Pune

Walker, Chandiook & Co

(e) In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act and 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, in the case of:

- (i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2012; and
- (ii) the Statement of Profit and Loss, of the loss for the year ended on that date.

Walker, Chandiook & Co
For Walker, Chandiook & Co
Chartered Accountants
Firm Registration No.: 001076N

Sanjay Kumar
per Sanjay Kumar
Partner
Membership No.: 207660



Place: Hyderabad
Date: 28 June 2012

Walker, Chandio & Co

Annexure to the auditors' report of even date to the members of Jain Sons Finlease Limited, on the financial statements as at and for the year ended 31 March 2012

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) (a) Owing to the nature of its business, the Company does not maintain any physical inventories or sells any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) There are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act during the year aggregating to rupees five lakhs or more in respect of any party.
- (vi) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) *The Company did not have an internal audit system during the year.*
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of services rendered by the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



Walker, Chandiook & Co

Annexure to the auditors' report of even date to the members of Jain Sons Finance Limited, on the financial statements as at and for the year ended 31 March 2012

- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. *The Company has incurred cash losses in the current and the preceding financial year.*
- (xi) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 4(xi) of the Order are not applicable.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any terms loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker, Chandiook & Co
For Walker, Chandiook & Co
Chartered Accountants
Firm Registration No.: 001076N

Sanjay
per Sanjay Kumar
Partner

Membership No.: 207660



Place: Hyderabad
Date: 28 June 2012

Jain Sons Finlease Limited
Balance Sheet as at 31 March 2012
(All amounts in ₹ unless otherwise stated)

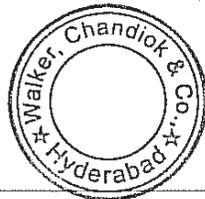
	Notes	31 March 2012	31 March 2011
Equity and liabilities			
Shareholder's funds			
Share capital	4	70,000,010	8,801,500
Reserves and surplus	5	(1,686,199)	(51,033)
		<u>68,313,811</u>	<u>8,750,467</u>
Non-current liabilities			
Deferred tax liabilities (net)	6	-	4,417
Long-term provisions	10	96,016	-
		<u>96,016</u>	<u>4,417</u>
Current liabilities			
Short term borrowings	7	-	384,157
Other current liabilities	8	337,159	207,638
Short-term provisions	10	70,324	-
		<u>407,483</u>	<u>591,795</u>
Total		<u><u>68,817,310</u></u>	<u><u>9,346,679</u></u>
Assets			
Non-current assets			
Tangible fixed assets	9	143,632	39,403
Loan to customers	11	5,000,000	-
		<u>5,143,632</u>	<u>39,403</u>
Current assets			
Current investments	12	31,060,392	-
Cash and cash equivalents	13	1,412,566	1,144,673
Loan to customers	11	27,618,986	7,970,675
Other current assets	14	3,581,734	191,928
		<u>63,673,678</u>	<u>9,307,276</u>
Total		<u><u>68,817,310</u></u>	<u><u>9,346,679</u></u>

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

Walker, Chandio & Co
For Walker, Chandio & Co
Chartered Accountants

Sanjay Kumar
per Sanjay Kumar
Partner



For and on behalf of the Board of Directors of
Jain Sons Finlease Limited

Sanjib Jha
Sanjib Jha
Director

Mani Raman Subra
Mani Raman Subra
Director

Place : Hyderabad

Date : 28 June 2012

Place : Hyderabad

Date : 28 June 2012

Jain Sons Finlease Limited
Notes to the financial statements
(All amounts in ₹ unless otherwise stated)

1. Company overview

Jain Sons Finlease Limited ("the Company") is a limited liability company incorporated under the provisions of the Companies Act, 1956 of India ("the Act"). Effective 7 January 1999, the Company is registered as a non-deposit taking, non-banking financial company (NBFC) under the rules and regulations framed by the Reserve Bank of India ("the RBI"). Effective 23 December 2011, the Company is a subsidiary of Intellectual Capital Advisory Services Private Limited ("the holding Company") and is engaged in lending to small and medium enterprises (SME).

2. Summary of significant accounting policies

a. Basis of preparation of financial statements

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed in the Companies (Accounting Standard) Rules, 2006 as amended (the rules) and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"), and the RBI directives and guidelines to the extent applicable to non-banking financial companies. The financial statements have been prepared under the historical cost convention on an accrual basis, except in the case of interest in respect of non-performing loan assets have been accounted for on a cash basis.

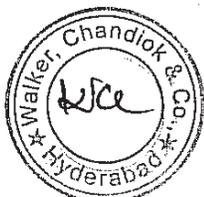
Pursuant to the amendment to the Schedule VI to the Act, effective 1 April 2011 the Company has adopted revised schedule VI for preparation and presentation of the financial statements and have reclassified previous year figures to conform to this year's presentation and classification. Except accounting for dividend on investment in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debtors, loans and advances, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.



c. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprise of purchase price, freight, non-refundable duties, taxes and any other cost attributable to bringing the asset to its working condition for its intended use. Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.

d. Depreciation

Depreciation is provided under written down value method on pro-rata basis, based on useful lives of the assets as estimated by management which coincides with rates prescribed under Schedule XIV to the Act.

Depreciation on sale/deduction from fixed assets is provided for up to the date of sale /deduction as the case may be. Assets individually costing for ₹ 5,000 or less are entirely depreciated in the year of acquisition.

e. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life

f. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term investments.

g. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

- Loan processing fees is accounted for up-front when it becomes due.
- Interest on loans is recognised on accrual basis, except in the case of non-performing assets, where interest is recognised upon realisation, in accordance with the directives of the RBI.
- Dividend is recognized when the right to receive the payment is established.



A handwritten signature in black ink, appearing to be "Jain" followed by a flourish.

h. Asset classification and provisioning

Loans are classified as follows:

Particulars	Criteria
Standard assets	Overdue < 180 days
Non-performing assets	
- Sub-standard assets	Overdue for 180 days or more to 730 days
- Doubtful assets	Overdue > 730 days
- Loss assets	As identified by the Company/internal auditors/external auditors/RBI

Note: Overdue refers to interest and/or instalment remaining unpaid from the day it became receivable.

Provision for loan portfolio

	Provisioning (%)
Standard assets	0.25
Non-performing assets:	
- Sub-standard assets	10
- Doubtful assets	100
- Loss assets	100

i. Employee benefits

Gratuity

Gratuity is a post-employment defined benefit obligation. An independent actuary, using the projected unit credit method calculates the defined benefit obligation annually. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of profit and loss in the period in which such gains or losses arises.

j. Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date.



Jain Sons Finlease Limited

Notes to the financial statements

(All amounts in ₹ unless otherwise stated)

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

k. Earnings per equity share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

l. Leases

Operating leases

Where the lessor effectively retains all risk and benefits of ownership of the leased items, such leases are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight line basis.

m. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

3. Change in management

Pursuant to a share purchase agreement dated 23 December 2011 between Mr. Ananda Swaroop Adavani and other shareholders (Selling shareholders), Intellectual Capital Advisory Services Private Limited (the holding company) and the Company, the holding company acquired entire outstanding share capital of the Company from the selling shareholders. Subsequently, the Company made allotment of 5,569,851 equity shares to the holding company and 550,000 equity shares to Intellectash Microfinance Network Company Private Limited at par value.

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Jain Sons Finlease Limited**Notes to the financial statements**

(All amounts in ₹ unless otherwise stated)

4. Share capital

	31 March 2012		31 March 2011	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹10 each	<u>10,000,000</u>	<u>100,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	<u>7,000,001</u>	<u>70,000,010</u>	<u>880,150</u>	<u>8,801,500</u>
	<u>7,000,001</u>	<u>70,000,010</u>	<u>880,150</u>	<u>8,801,500</u>

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

	31 March 2012		31 March 2011	
	Number	Amount	Number	Amount
Opening number of shares	880,150	8,801,500	275,000	2,750,000
Add: Issued during the year	<u>6,119,851</u>	<u>61,198,510</u>	<u>605,150</u>	<u>6,051,500</u>
Closing number of shares	<u>7,000,001</u>	<u>70,000,010</u>	<u>880,150</u>	<u>8,801,500</u>

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

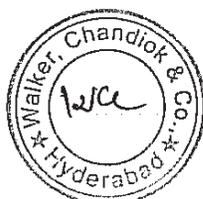
In the even of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to their share holding.

c) Details of shares held by holding company and its subsidiaries

	31 March 2012		31 March 2011	
	Number	Amount	Number	Amount
Intellectual Capital Advisory Services Private Limited, the holding company	6,450,001	64,500,010	-	-
Intellectash Microfinance Network Company Private Limited, subsidiary of the holding company	550,000	5,500,000	-	-

d) Details of shareholders holding more than 5% shares in the Company

	31 March 2012		31 March 2011	
	Number	% holding	Number	% holding
Equity shares of ₹10 each.				
Intellectual Capital Advisory Services Private Limited	6,450,001	92.14%	-	-
Intellectash Microfinance Network Company Private Limited	550,000	7.86%	-	-
Mr. Ananda Swaroop Adavani	-	-	224,650	25.52%
Mrs. Maniswetha Tetali	-	-	204,500	23.23%
Mr Santi Swaroop Adavani	-	-	87,300	9.92%
Mrs Perimdevi Adavani	-	-	50,000	5.68%
Mr Venugopal Adavani	-	-	50,000	5.68%



Jain Sons Finlease Limited
Notes to the financial statements
 (All amounts in ₹ unless otherwise stated)

5. Reserves and surplus

	<u>31 March 2012</u>	<u>31 March 2011</u>
Statutory reserve fund*	1,422	1,422
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(52,455)	(42,461)
Loss for the year	<u>(1,635,166)</u>	<u>(9,994)</u>
Balance at the end of the year	<u>(1,687,621)</u>	<u>(52,455)</u>
	<u>(1,686,199)</u>	<u>(51,033)</u>

* In accordance with the provision of Section 45 IC of the Reserve Bank of India Act, 1934 the Company being an NBFC is required to transfer at least 20% of net profit after tax for the year to a statutory reserve fund. As the Company has reported net loss during the year, no amounts were transferred to the statutory reserve fund.

6. Deferred tax liabilities (net)

Deferred tax liability as at 31 March 2011 represent future tax obligation on account of timing differences arising due to difference between book and tax base of depreciation on the fixed assets of the Company. In the absence of virtual certainty of future taxable profits supported by convincing evidence, as at 31 March 2012, the Company has not created any deferred tax assets on unabsorbed business losses and other timing differences.

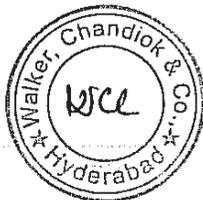
7. Short term borrowings

	<u>31 March 2012</u>	<u>31 March 2011</u>
Intellecash Microfinance Network Company Private Limited	-	384,157
	<u>-</u>	<u>384,157</u>

8. Other current liabilities

	<u>31 March 2012</u>	<u>31 March 2011</u>
Other accrued liabilities	193,876	6,696
Share application money	-	195,040
Other liabilities	<u>143,283</u>	<u>5,902</u>
	<u>337,159</u>	<u>207,638</u>

Based on information available with the Company, as at 31 March 2012, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.



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Jain Sons Finlease Limited
Notes to the financial statements
 (All amounts in ₹ unless otherwise stated)

9. Tangible fixed assets

	Computers	Office equipment	Furniture and fixtures	Total
Gross block				
As at 1 April 2010	-	-	-	-
Additions	28,175	-	15,669	43,844
Disposals	-	-	-	-
As at 31 March 2011	28,175	-	15,669	43,844
Additions	114,865	40,098	-	154,963
Disposals	(28,175)	-	(15,669)	(43,844)
As at 31 March 2012	114,865	40,098	-	154,963
Accumulated depreciation				
Upto 1 April 2010	-	-	-	-
For the year	3,704	-	737	4,441
Disposals	-	-	-	-
Upto 31 March 2011	3,704	-	737	4,441
For the year	10,726	605	-	11,331
Disposals	(3,704)	-	(737)	(4,441)
Upto 31 March 2012	10,726	605	-	11,331
Net block				
As at 31 March 2012	104,139	39,493	-	143,632
As at 31 March 2011	24,471	-	14,932	39,403



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Jain Sons Finlease Limited**Notes to the financial statements**

(All amounts in ₹ unless otherwise stated)

10. Provisions

	<u>31 March 2012</u>	<u>31 March 2011</u>
Non-current		
Long-term provision for gratuity	83,516	
Contingent provision against standard assets	12,500	
Current		-
Short-term provision for gratuity	1,277	-
Contingent provision against standard assets	69,047	-
	<u>166,340</u>	<u>-</u>
a) Contingent provision against standard assets		
Opening balance	-	-
Charged during the year	81,547	-
Utilised during the year	-	-
Balance at the end of the year	<u>81,547</u>	<u>-</u>

11. Loan to customers

	<u>31 March 2012</u>	<u>31 March 2011</u>
(Unsecured, considered good)		
Non-current	5,000,000	-
Current	27,618,986	7,970,675
	<u>32,618,986</u>	<u>7,970,675</u>

12. Current investments

	<u>31 March 2012</u>	<u>31 March 2011</u>
Quoted non-trade, valued at lower of cost or market value		
26,196.90 (31 March 2011: Nil) units of Axis Liquid Fund-Institutional Growth	31,060,392	-
	<u>31,060,392</u>	<u>-</u>
Aggregate amount of :		
Quoted investments	31,060,392	-
Market value of quoted investments	31,139,883	-

13. Cash and cash equivalents

	<u>31 March 2012</u>	<u>31 March 2011</u>
Cash on hand	2,093	1,084,820
Balances with banks in current accounts	1,410,473	59,853
	<u>1,412,566</u>	<u>1,144,673</u>

14. Other current assets

	<u>31 March 2012</u>	<u>31 March 2011</u>
Advances recoverable in cash or in kind or for value to be received	3,080,469	164,349
Deposits	405,000	-
Advance tax, net of provision	96,265	27,579
	<u>3,581,734</u>	<u>191,928</u>



Jain Sons Finlease Limited

Notes to the financial statements

(All amounts in ₹ unless otherwise stated)

15. Revenue from operations

	<u>31 March 2012</u>	<u>31 March 2011</u>
Interest income	1,488,812	1,051,657
Loan processing fees	105,000	226,400
Membership fees	-	112,000
	<u>1,593,812</u>	<u>1,390,057</u>

16. Other income

	<u>31 March 2012</u>	<u>31 March 2011</u>
Net gain on sale on investments	60,792	-
Miscellaneous income	2,078	31,569
	<u>62,870</u>	<u>31,569</u>

17. Employee benefits expense

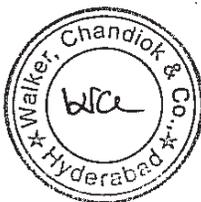
	<u>31 March 2012</u>	<u>31 March 2011</u>
Salaries and wages	1,510,690	673,829
Gratuity	84,793	-
Staff welfare expenses	264,889	62,561
	<u>1,860,372</u>	<u>736,390</u>

18. Finance cost

	<u>31 March 2012</u>	<u>31 March 2011</u>
Bank charges	1,450	2,495
Interest and others	53,535	86,925
	<u>54,985</u>	<u>89,420</u>

19. Other expenses

	<u>31 March 2012</u>	<u>31 March 2011</u>
Rent	158,818	10,000
Office expenses	51,582	20,914
Legal and professional fees	317,500	476,270
Rates and taxes	492,045	60,500
Communication expenses	33,912	9,748
Travelling and conveyance	146,086	7,285
Printing and stationery	15,666	9,235
Contingent provision against standard assets	81,547	-
Auditors remuneration		
As auditor - audit fee	100,000	3,000
	<u>1,397,156</u>	<u>596,952</u>



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Jain Sons Finlease Limited

Notes to the financial statements

(All amounts in ₹ unless otherwise stated)

20. Related party disclosures**a) Name of the related parties and relationship**

Nature of relationship	Name of the parties
Holding company	Intellectual Capital Advisory Services Private Limited ("Intellecap") (with effect from 23 December 2011)
Fellow subsidiary	Intellectash Microfinance Network Company Private Limited ("Intellectash") (with effect from 23 December 2011)
Key management personnel (KMP)	1. Mr. Mani Raman Subra (with effect from 1 January 2012) 2. Mr. Ananda Swaroop Adavani (upto 23 December 2011) 3. Mr. Maniswetha Tetali (upto 31 March 2011)
Relatives of KMP	Mr. Upendra Tetali (Upto 23 December 2011) Mr. Santi Swaroop Adavani (Upto 23 December 2011)

b) Transactions during the year

	31 March 2012	31 March 2011
Intellecap		
Equity investment	55,698,510	-
Reimbursement of expenses	11,613	-
Rent	43,052	-
Intellectash		
Equity Investment	5,500,000	-
Transfer of assets to the Company	70,865	-
Transfer of loan portfolio to the Company	31,000,000	-
Reimbursement of expenses	94,190	-
Shared service agreement	135,000	-
Mani Raman Subra		
Remuneration*	821,430	-
Ananda Swaroop Adavani		
Remuneration	160,000	173,225
Share application money	230,000	-
Equity investment	-	-
Maniswetha Tetali		
Remuneration	-	174,200
Share application money	200,000	-
Equity investment	-	-
Upendra Tetali		
Equity investment	-	-
Santi Swaroop Adavani		
Equity investment	-	-

*The above do not include provision for gratuity, as the same is actuarially determined for the Company as a whole.



Jain Sons Finlease Limited
Notes to the financial statements
(All amounts in ₹ unless otherwise stated)

c) Balances receivable

	31 March 2012	31 March 2011
Intellectap	226,887	-

21. Employee retirement benefits

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure, at 15 days last drawn salary for each completed year of service. These benefits are unfunded. The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

	31 March 2012
Discount rate	8.50%
Salary escalation rate (per annum)	5.00%
Attrition rate	20.00%

22. Assignment of loan portfolio

Pursuant to business transfer agreement dated 23 December 2011, the Company acquired SME loan portfolio aggregating to ₹31,000,000 of Intellectash at carrying amounts. Along with the loan portfolio, the Company also acquired certain fixed assets and employees of Intellectash. The Company has assumed the liabilities for retirement obligations of said employees effective from the date of their joining services with Intellectash.

23. Additional disclosures pursuant to the RBI. DFC. 119 /DG (SPT)-98 dated 31 January 1998.

Capital to Risk-Assets ratio (CRAR)

Particulars	31 March 2012	31 March 2011
CRAR (%)	98.57%	-
CRAR - Tier I capital (%)	98.57%	-
CRAR - Tier II capital (%)	-	-

24. During the year, the Company has entered into following transactions with parties covered in the register maintained under section 301 of the Act. Company is in the process of condoning the delay and obtaining the approval from Regional Director, under the provision of Section 297 of the Act:

Party name	Nature of transaction	31 March 2012
Intellectap	Rent	43,052
	Capital raising agreement	Success fee based
Intellectash	Shared service agreement	135,000



Signature

Jain Sons Finlease Limited

Notes to the financial statements

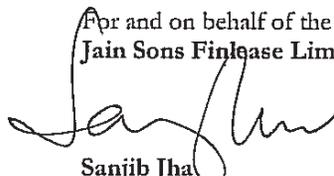
(All amounts in ₹ unless otherwise stated)

25. Additional information as required under paragraph 5 of the part II of the Schedule VI to the Act to the extent either 'Nil' or 'Not Applicable' has not been furnished

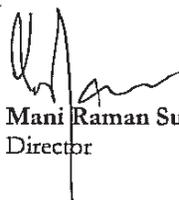
26. Change of name, registered address and status

During the year, the Company has submitted applications with registrar of companies for change of name to Intellegrow Finance Company Private Limited, shifting of registered office from the State of Haryana to the State of Maharashtra and conversion from public company to a private company. The said changes are subject to the approval of RBI. The Company is in the process of obtaining requisite approval from the RBI

For and on behalf of the Board of Directors of
Jain Sons Finlease Limited



Sanjib Jha
Director



Mani Raman Subra
Director

Place: Hyderabad

Date: 28 June 2012

Place: Hyderabad

Date: 28 June 2012