

Jain Sons Finlease Limited

Registered Office –: 8-2-682/1, 4th Floor,
Road No.12, Banjara Hills,
Hyderabad – 500 034
Andhra Pradesh

FIFTEENTH ANNUAL GENERAL MEETING
SEPTEMBER 26, 2013
At 9:00 A.M.

JAIN SONS FINLEASE LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY, WILL BE HELD ON THURSDAY, THE 26TH DAY OF SEPTEMBER 2013, AT THE REGISTERED OFFICE OF THE COMPANY AT 8-2-682/1, 4TH FLOOR, ROAD NO.12, BANJARA HILLS, HYDERABAD - 500 034, ANDHRA PRADESH AT 9:00 A.M., TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31-3-2013 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 pursuant to the provisions of Section 255, 256 of the Companies Act, 1956 and other applicable provisions, if any, Mr. Sanjib Kumar Jha, CEO & Director in the Company, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

"RESOLVED THAT any Director in the Company be and is hereby severally authorized to do all such acts, deeds and things, necessary to give effect to the above said resolution."

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

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

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Vineet Rai, who was appointed as an Additional Director with effect from July 27, 2012 in the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article No. 80 of the Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director in the Company".

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

Regd. Office: 654 First Floor, Automobile Market, Hissar - 125001, Haryana.
Mumbai Office: 512 Palm Spring, Beside D-Market, Link Road, Mald (W), Mumbai - 400 064. India Tel: +91-22-4035 9222
Hyderabad Office: 4th Floor, Building 8-2-882/1, Banjara Hills Road No 12, Hyderabad - 500034, India Tel: +91-40-4030 0200

"RESOLVED THAT Mr. Anurag Agrawal, who was appointed as an Additional Director with effect from December 10, 2012 in the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article No. 80 of the Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director in the Company".

6. To consider and if though fit to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provision of Section 81 (1A) and all other applicable provision of the Companies Act 1956, (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Unlisted Public Companies (Preferential Allotment) Rules 2003, existing Guidelines for Preferential Issues and subject to all necessary approvals, consents, such terms and conditions and modifications as the Board of Directors may in its discretion impose or agree to, the consent and approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on a preferential basis up to 20,00,000 (Twenty Lakhs Only) Compulsorily Convertible Preference Shares of the face value of Rs. 20/- (Rupees Twenty) each to the following allottees as given below:

Sl. No.	Name and Occupation of Allottee	Address of Allottee	Nationality of Allottee	No. of CCPS	Face Value of CCPS is Rs. 20/- each	Premium on CCPS
1.	Michael & Susan Dell Foundation	4417, Westlake Drive, Austin, TX 78746	United States of America	20,00,000	4,00,00,000	NIL
	Total			20,00,000	4,00,00,000	NIL

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to issue and allot such number of Equity Shares as may be required to issue and to do all such necessary acts, deed, things to give effect to the aforesaid resolution."

7. To consider and if though fit to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT subject to approval of the Central Government as envisaged under Section 297 of the Companies Act 1956 and other applicable provisions, if any, with the consent of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to enter into contract with Intellectual Capital Advisory

Handwritten signature

Services Private Limited ("Intellectap") for utilizing the services of Intellectap for the following:

1. Advisory services related to funding in the Company.
2. Visibility and positioning the Company in Sankalp, to meet the following objectives;
 - a. Widespread branding and visibility for the Company among relevant audience
 - b. Identifying viable deal flow pipeline
 - c. To create sustained impact on development of early stage enterprises through capacity building opportunities.

"RESOLVED FURTHER THAT the contract shall be for an initial period of 3 (Three) years with effect from September 1, 2013 or such other date as may be specified by the Central Government for a value as may be determined by the Board."

"RESOLVED FURTHER THAT Mr. Anurag Agrawal and Mr. Vineet Rai, Directors in the Company are interested by way of Directorship in Intellectap

"RESOLVED FURTHER THAT Mr. Sanjib Kumar Jha, CEO & Director in the Company be and is hereby severally authorised to do all such acts, deeds, things necessary to give effect the above mentioned resolution."

8. To consider and if though fit to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions of the Companies Act 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the Companies Act, 1956, the consent of the members of the Company be and are hereby accorded for payment of remuneration to Mr. Sanjib Kumar Jha, CEO & Director in the Company with effect from December 1, 2012, as per the terms and conditions of remuneration, as set out in the agreement entered into between the Company and Mr. Sanjib Kumar Jha, CEO & Director in the Company."

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to increase, alter and/ or vary the remuneration and perquisites including the monetary value thereof as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956, for the time being in force and as amended from time to time, provided however, that the remuneration payable to Mr. Sanjib Kumar Jha, shall be as per the provisions prescribed in Schedule XIII of the Companies Act, 1956 and as amended from time to time."

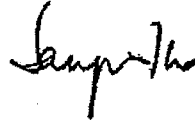
"RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 1956, wherein in any financial year Company has no profits or inadequate profit; Mr. Sanjib Kumar Jha, will be paid minimum remuneration within the ceiling limits



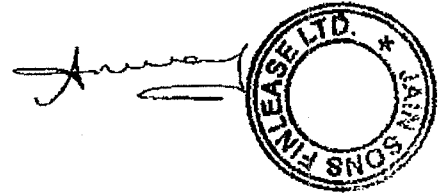
prescribed under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof."

"RESOLVED FURTHER THAT Board of Directors or Committee thereof be and is hereby authorised to do such acts, deeds and things as may be deemed expedient to give effect to the above resolution."

For and on behalf of the Board
Jain Sons Finance Ltd.



Sanjib Kumar Jha
CEO & Director



Anurag Agrawal
Director

Place: Hyderabad
Dated: August 26, 2013

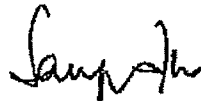
NOTES:

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. Documents referred to in the Notice are open for inspection at the registered office of the Company on all working days, except holidays, between 2.00 p.m. to 4.00 p.m. up to the date of the Annual General Meeting.
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.

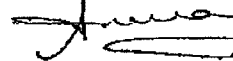
**For and on behalf of the Board
Jain Sons Finlease Ltd.**

Place: Hyderabad

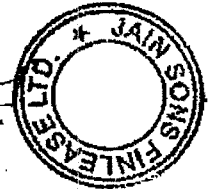
Dated: August 26, 2013



**Sanjiv Kumar Jha
CEO & Director**



**Anurag Agrawal
Director**



EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956 the following explanatory statement sets out material facts relating to the business under Item no. 4,5,6 &7 of the accompanying notice dated August 26, 2013, 2013

Item No. 4

Mr. Vineet Rai was appointed as an Additional Director by the Board of Director, effective from July 27, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 80 of the Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above Director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member in the Company proposing the candidature of Mr. Anurag Agrawal for the appointment as Director in the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Vineet Rai on the Board is desirable and would be beneficial to the Company and hence recommend resolution No. 4 for adoption.

None of the Directors, except Mr. Vineet Rai is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 4 to be passed as ordinary resolution.

Item No. 5

Mr. Anurag Agrawal was appointed as an Additional Director by the Board of Director, effective from December 10, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 80 of the Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above Director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member in the Company proposing the candidature of Mr. Anurag Agrawal, for the appointment as Director in the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Anurag Agrawal on the Board is desirable and would be beneficial to the Company and hence recommend resolution No. 5 for adoption.

None of the Directors, except Mr. Anurag Agrawal is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

Item No. 6

In terms of the provisions of section 81(1A) of the Companies Act, 1956 read with the Unlisted Public Companies (Preferential Allotment) Rules, 2003 applicable for making of a preferential allotment of Compulsory Convertible Preference Shares ("CCPS"). The Company proposes to increase its capital base as long term financial sources for the Company by way of private placement of 20,00,000 (Twenty Lakhs) CCPS to Michael Susan & Dell Foundation ("MSDF"), existing member in the Company. The Company submits the following information for taking appropriate Decision for approval of the proposed resolution as set out in the Item No. 6 of the notice of the meeting by way of special resolution:

- a. The price at which the allotment of CCPS is proposed is Rs. 20/- (Rupees Twenty Only) each.
- b. The relevant date at which the issue is proposed is September 26, 2013
- c. Object of the Issue: To issue CCPS to MSDF as per the shareholders agreement, entered between MSDF, Company and the other parties, dated February 7, 2013
- d. Shareholding pattern per & post allotment of CCPS:
Pre- Allotment: Equity a) Promoters- 65.67%, b) MSDF – 18.53% and c) Others- 15.80%
Post Allotment: Equity a) Promoters- 65.67%, b) MSDF – 18.53% and c) Others- 15.80%, and
CCPS a) Promoters – NIL, b) MSDF – 100%, and c) Others – NIL
- e. There is no change in the management of the Company.
- f. The allotment of CCPS shall be completed within 30 days of passing this resolution.

In order to authorize the Board for taking further action, it is necessary to pass the said special resolution for preferential issue of shares as set out in the item No. 6 in the Notice.

None of the Directors of the Company is concerned or interested in the proposed resolution.

Item No. 7

The Company intends to raise fund for the growth of business and has approached to Intellectual Capital Advisory Services Private Limited ("Intellectap" or the "Holding Company"), Intellectap is pioneer in providing capital raising services and other allied services, fees to be charged by Intellectap for the capital raising services is at arm length.

None of the Directors except Mr. Anurag Agrawal and Mr. Vineet Rai, are interested in this resolution, by way of Directorship in both the companies.

Your Directors recommend the resolution for approval.

Item No. 8

In view of the growth in the business activities, increased volume of work the Remuneration Committee and subsequently the Board of Directors considered it just, fair and reasonable to revise remuneration as set out in the agreement executed between the Company and Mr. Sanjib Kumar Jha, CEO & Director in the Company. The terms & conditions as set out in

MS

JAIN SONS FINLEASE LIMITED

the agreement for the payment of remuneration, may be altered and varied from time to time by the Board of Directors or Remuneration committee as it may in its discretion deem fit. Shareholder's approval is sought for the payment of remuneration to Mr. Sanjib Kumar Jha, as an Executive Director of the Company, as per the provisions under Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

Mr. Sanjib Kumar Jha

Fixed Salary: Fixed Annual cost is INR 40,00,000/- (Rupees Forty Lakhs Only) per annum structured as per the rules of the company

Variable Salary: Annual variable cost shall be as per the rules of the Company and as approved and amended by the Board from time to time.

Perquisites: Eligible for allotment of a total of 5,60,000 (Five Lakhs Sixty Thousand) sweat equity shares, which shall vest equally on an annual basis over a period of 3 years starting from December 1, 2013.

Minimum Remuneration: In the event of loss or inadequacy of profit in any financial year, Mr. Sanjib Kumar Jha, Executive Director will be paid the remuneration as above as minimum remuneration subject to provisions of the Section II of Part II of the Schedule XIII.

This may be treated as an abstract of the terms and conditions of appointment including remuneration of an Executive Director under the provision of Section 302 of the Companies Act, 1956.

The Directors recommend the said resolution for your approval.

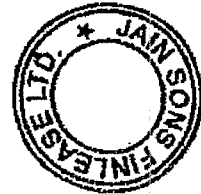
None of the directors except Mr. Sanjib Kumar Jha is interested in the said resolution.

For and on behalf of the Board
Jain Sons Finlease Ltd.

Place: Hyderabad
Dated: August 26, 2013


Sanjib Kumar Jha
CEO & Director


Anurag Agrawal
Director



Regd. Office at 654 First Floor, Automobile Market, Hissar- 125001, Haryana.
Hyderabad Office: 4th Floor, Building 8-2-682/1, Banjara Hills Road No: 12, Hyderabad - 500034, India
Tel: +91-40-4030 0200, Fax: +91-40-4030 0275
Mumbai Office: 13 A, Techniplex-II IT Park, 8th Floor, Off Veer Savarkar Flyover, Goregaon (W), Mumbai - 400 062, India
Tel: +91-22-6195 2700, Fax: +91-22-6195 2701

JAIN SONS FINLEASE LIMITED
DIRECTORS' REPORT

To
The Members,
Jain Sons Finlease Limited

Your Director are pleased to present the March 31, 2013 Annual Report of your Company together with the Audited Statement of Accounts and the Auditor's Report of your Company for the financial year ended March 31, 2013. The summarised financial results for the year ended March 31, 2013

Financial Results

The financial performance of your Company for the financial year ended March 31, 2013 has been given as under:

Particulars	(In INR Lakhs)	
	Financial Year	Previous Year
	2012-13	2011-12
Income (Includes Other Income)	296.78	16.56
Less: Expenditure	187.71	32.85
Profit before Depreciation & Taxes and Adjustments	109.07	(16.29)
Depreciation	1.21	0.11
Profit Before Tax	107.86	(16.40)
Tax/ Prior period item	35.41	0.04
Net Profit	72.45	(16.35)

Review of Operation

During the year under review, the Company has lent approximately to 30 companies across all the 5 (Non-credit financial inclusion, Education, Livelihoods improvement, Healthcare and water and sanitation) focus sectors, disbursed approximately INR 22 Cr. before May 2013.

Share Capital

During the year under review, the Company has increased its Authorised Share Capital from INR 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) equity shares of INR 10/- (Rupees Ten Only) each to INR 14,00,00,000/- (Rupees Fourteen Crore Only), divided into 1,00,00,000 (One Crore) equity shares of INR 10/- (Rupees Ten Only) each and INR 4,00,00,000/- (Rupees Four Crore Only) divided into 20,00,000 (Twenty lakhs) Compulsory Convertible Preference Shares of INR 20/- (Rupees Twenty Only) each.

The issued, subscribed and fully paid up capital has been increased from INR 7,00,00,010/- (Rupees Seven Crore Ten Only) divided into 70,00,001 (Seventy Lakhs and One) equity shares of INR 10/- (Rupees Ten Only) each to INR 9,28,97,230/- (Rupees Nine Crore Twenty Eight Lakhs Ninety Seven Thousand Two Hundred and Thirty Only) divided into 92,89,723 (Ninety Two

Lakhs Eighty Nine Thousand Seven Hundred and Twenty Three) of INR 10/- (Rupees Ten Only) each.

Dividend

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the year ended March 31, 2013.

Directors

During the year under review, Mr. Vineet Rai was inducted as Additional Director in the Company, effective from July 27, 2013. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Director. The Board therefore recommends the appointment of Mr. Vineet Rai as Director in the ensuing Annual General Meeting of the Company, liable to retire by rotation.

Mr. Anurag Agrawal was inducted as Additional Director in the Company, effective from December 10, 2012. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Director. The Board therefore recommends the appointment of Mr. Anurag Agrawal as Director in the ensuing Annual General Meeting of the Company.

Mr. Debasish Mitter, was appointed in the Board as Nominee Director of Michael & Susan Dell Foundation, effective from February 13, 2013.

Mr. Pradeep Ashok Parunal Pursnani, was appointed in the Board as Nominee Director of Shell Foundation, effective from March 22, 2013.

Mr. Manoj Kumar Nambiar, has step down as Director in the Company with effect from December 12, 2012 due to his pre-occupation elsewhere.

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 INR Lakhs)	
	Financial Year	Previous Year
	2012-13	2011-12
Total Expenditure in Foreign Currency	2.80	NIL
Total earnings in Foreign Currency	209.40	NIL

Auditor's

The auditors of the Company M/s. Walker, Chandok & 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.

Auditors' Report

The observations of the Auditors in their report are self-explanatory and therefore, in opinion of your Directors, do not call for further comments.

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 preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to the material departures.
- II) The Directors had 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 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 had prepared the Annual Accounts on a going concern basis.

Disclosures under Section 217 (1) (d) of the Companies Act, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments, which can affect the financial position of the Company, occurred between the end of the financial year of the Company and date of this report.

Transfer to Statutory Reserve Fund

During the year under review, as per Section 45-1C of the Reserve Bank of India Act 1934, the Company has transferred 20% of its net profit before declaration of dividend, i.e. an amount of INR 14,49,059/- (Rupees Fourteen Lakhs Forty Nine Thousand and Fifty Nine Only) to the statutory reserve fund.

Particulars of Employees

There is no employee in the Company whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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 gratitude for the continuing support of shareholders, bankers, and business associates at all levels.

**For and on behalf of the Board
Jain Sons Finance Ltd.**

**Place: Hyderabad
Dated: August 26, 2013**


**Sanjib Kumar Jha
CEO & Director**


**Anurag Agrawal
Director**



Walker, Chandiook & Co

7th Floor, Block B, White House
Kondan Bagh, Begumpet
Hyderabad 500016
India

T +91 40 6630 8200
F +91 40 6630 8230
E HYDERABAD@n.gl.com

Auditors' Report

[Pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008]

To
The Board of Directors
Jain Sons Finlease Limited
554, 1st Floor
Automobile Market, Hisar
Haryana - 125001

1. We have audited the accompanying financial statements of Jain Sons Finlease Limited (the "Company"), which comprise the Balance sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued a unqualified opinion vide our report dated 26 August 2013.
2. As required by the paragraphs 3 and 4 of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India ("the RBI") vide Notification No. DNBS. 201/DG(VL)-2008 dated 18 September 2008 (amended from time to time) and based on our audit, we report on the matters as specified in paragraphs 3 and 4 of the said directions:
 - a. The Company is engaged in the business of Non-Banking Financial Institution (without accepting or holding public deposits) and pursuant to the provisions of Section 45(1A) of the Reserve Bank of India Act, 1934 (as amended) it has obtained a certificate of registration vide certificate no. 14.01458 dated 7 January 1999.
 - b. In our opinion the Company is not entitled to hold the certificate of registration in terms of income pattern for the year ended 31 March 2013. However, the Company has complied with the asset pattern as on 31 March 2013 and management believes that it will not affect its entitlement to hold the certificate of registration as the Company's principal business continues to be of the lending activities.



Chartered Accountants

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

Walker, Chandio & Co

- c. The Company is not an asset finance company as defined under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- d. The Company is not a Non-Banking Financial Company – Micro Finance Institution as defined under the Non-Banking Financial Company – Micro Financial Institutions (Reserve Bank) Directions, 2011.
- e. The board of directors of the company in their meeting held on 28 June 2012 has passed a resolution for non-acceptance of any public deposits during the financial year 1 April 2012 to 31 March 2013.
- f. The Company has not accepted any public deposits during the year ended 31 March 2013.
- g. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms issued by the RBI in relation to recognition of income, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

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

Sanjay
per Sanjay Kumar Jain
Partner
Membership No.: 207660



Place: Hyderabad
Date: 26 August 2013

Walker, Chandio & Co

7th Floor, Block III, White House
Kundan Bagh, Begunpet
Hyderabad 500016
India

T +91 40 6630 8200
F +91 40 6630 8230
E HYDERABAD@wacn.gt.com

Independent Auditors' Report

To the Members of Jain Sons Finlease Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Jain Sons Finlease Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these 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, including the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Chartered Accountants

Offices at Bangalore, Chandigarh, Chennai, Coimbatore, Hyderabad, Mumbai, New Delhi and Pune

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
 - ii) the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to note 21 to the financial statements, regarding transactions with related parties, in respect of which the Company is in the process of making application for necessary approvals from the Central Government of India as required under the provisions of Section 295 and Section 297 of the Act. Pending final outcome of the said matter, the financial impact, if any, of such non-compliance is presently not ascertainable. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by sub-section (3) of Section 227 of the Act, 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 purpose 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. in our opinion, the financial statements comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act; and



Chartered Accountants

Walker, Chandio & Co

- e. on the basis of written representations received from the directors, as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Sanjay
per Sanjay Kumar Jain
Partner
Membership No.: 207660



Place: Hyderabad
Date: 26 August 2013

Walker, Chandio & Co

Annexure to the Independent Auditors' Report of even date to the members of Jain Sons Finance Limited, on the financial statements for the year ended 31 March 2013.

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 granted unsecured loan to one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹22,000,000 and the year-end balance is ₹19,726,453.
(b) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
(c) In respect of loan granted, receipt of the principal amount and the interest is regular.
(d) There is no overdue amount in respect of loan granted to such parties.
(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(ii)(f) and 4(ii)(g) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell 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) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company did not have an internal audit system during the year.



Walker, Chandiook & Co

Annexure to the Independent Auditors' Report of even date to the members of Jain Sons Finance Limited, on the financial statements for the year ended 31 March 2013.

- (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 Company's services. 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. Further, 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.
- (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 has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the year. *In the immediately preceding financial year, the Company had incurred cash losses.*
- (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) In our opinion, the Company has maintained adequate documents and records in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities.
- (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 term 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 a short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not, *prima facie*, 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.



Walker, Chandlok & Co

Annexure to the Independent Auditors' Report of even date to the members of
Jain Sons Finance Limited, on the financial statements for the year ended 31 March 2013.

- (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, Chandlok & Co
For Walker, Chandlok & Co
Chartered Accountants
Firm registration No.: 001076N

Sanjay
per Sanjay Kumar Jain
Partner
Membership No.: 207660



Place: Hyderabad
Date: 26 August 2013

Jain Sons Finance Limited
Balance Sheet as at 31 March 2013
 (All amounts in ₹ unless otherwise stated)

	Notes	31 March 2013	31 March 2012
Equity and liabilities			
Shareholder's funds			
Share capital	3	92,897,230	70,000,010
Reserves and surplus	4	17,350,632	(1,686,199)
		<u>110,247,862</u>	<u>68,313,811</u>
Non-current liabilities			
Long-term provisions	5	447,481	96,016
		<u>447,481</u>	<u>96,016</u>
Current liabilities			
Other current liabilities	6	34,490,396	337,159
Short-term provisions	5	3,777,711	70,324
		<u>38,268,107</u>	<u>407,483</u>
Total		<u><u>148,963,450</u></u>	<u><u>68,817,310</u></u>
Assets			
Non-current assets			
Tangible fixed assets	7	302,552	143,632
Deferred tax assets	8	391,737	-
Loan to customers	9	43,091,649	5,000,000
		<u>43,785,938</u>	<u>5,143,632</u>
Current assets			
Current investments	10	29,007,716	31,060,392
Cash and bank balances	11	18,310,849	1,412,566
Loan to customers	9	56,035,663	27,618,986
Short-term loans and advances	12	1,494,896	3,581,734
Other current assets	13	328,388	-
		<u>105,177,512</u>	<u>63,673,678</u>
Total		<u><u>148,963,450</u></u>	<u><u>68,817,310</u></u>

The accompanying notes 1 to 33 form an integral part of these financial statements.
 This is the Balance Sheet referred to in our report of even date.

Walker, Chandlok & Co

For Walker, Chandlok & Co
 Chartered Accountants

Sanjay Kumar Jain
 per Sanjay Kumar Jain
 Partner



Place: Hyderabad
 Date: 26 Aug 2013

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

Sanjib Jha
 Sanjib Jha
 Director and Chief
 Executive Officer

Anurag Agrawal
 Anurag Agrawal
 Director



Place: Hyderabad
 Date: 26 Aug 2013

Jain Sons Finance Limited
Cash Flow Statement for the year ended 31 March 2013
 (All amounts in ₹ unless otherwise stated)

		31 March 2013
Cash flow from operating activities		
Profit before taxation		10,786,057
Adjustments for:		
Depreciation		120,661
Provision for standard loans		909,726
Employee stock compensation expense		1,440,756
Advances written-off		2,783,476
Gain on sale of investment		(2,543,424)
Operating profit before working capital changes		<u>13,497,252</u>
Increase in loans and advances		(696,638)
Increase in loans to customers		(66,508,326)
Increase in other current assets		(424,653)
Increase in other current liabilities		34,153,239
Decrease in provisions		(68,230)
Cash used in operations		<u>(20,047,356)</u>
Income taxes paid		(618,879)
Net cash used in operating activities	(A)	<u>(20,666,235)</u>
Cash flow from investing activities		
Purchase of units of mutual fund		(94,478,900)
Proceeds from sale of units of mutual fund		99,075,000
Purchase of fixed assets		(279,582)
Investment in fixed deposit		(10,000)
Net cash flow from investing activities	(B)	<u>4,306,518</u>
Cash flow from financing activities		
Proceeds from issue of shares		35,680,000
Share issue expenses		(2,432,000)
Net cash flow from financing activities	(C)	<u>33,248,000</u>
Net increase in cash and cash equivalents	(A+B+C)	16,888,283
Cash and cash equivalents at the beginning of the year		<u>1,412,566</u>
Cash and cash equivalents at the end of the year		<u>18,300,849</u>

Refer note 2(b) on notes to the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

Walker, Chandiook & Co
 For Walker, Chandiook & Co
 Chartered Accountants

Sanjay Kumar Jain
 per Sanjay Kumar Jain
 Partner



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

Sanjib Jha
 Sanjib Jha
 Director and Chief
 Executive Officer

Anurag Agrawal
 Anurag Agrawal
 Director



Place: Hyderabad
 Date: 26 Aug 2013

Place: Hyderabad
 Date: 26 Aug 2013

Jain Sons Finance Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

1. Company overview

Jain Sons Finance 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 ("ICAP") and is engaged in the business of 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") which includes Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"), and guidelines issued by the RBI as applicable to non-banking financial companies. The financial statements have been prepared on an accrual basis except for interest on non-performing loan assets which have been accounted on cash basis based on RBI rules. The accounting policies applied by the Company are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

- b. During the previous year, the Company was a Small and Medium Sized Company ("SMC") as defined in the Rules. Accordingly, during the previous financial year, the Company has complied with accounting standards in so far as they are applicable to a SMC and has applied transitional provisions for disclosures during the current year.

c. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses. Examples of such estimates include the provision for doubtful advances, employee benefits, income taxes, recognition of deferred tax assets, classification of assets and liabilities into current and non-current and useful life of fixed assets.

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

d. Tangible fixed assets

Fixed assets are carried at the cost of acquisition less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, freight, non-refundable taxes and duties, and any directly attributable cost of 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.



Jain Sons Finlease Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

e. Depreciation

Depreciation on fixed assets is provided on written down value method based on the useful life of the assets as estimated by management which coincides with the rates prescribed under Schedule XIV to the Act. Depreciation on sale of fixed assets is provided for up to the date of sale. Individual assets costing less than or up to ₹5,000 are depreciated fully in the year of purchase.

f. 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 "Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" ("Prudential Norms").
- Dividend is recognized when the right to receive the payment is established.

g. 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/external auditors/RBI

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

Provision for loan portfolio

Asset classification	Provision
Standard assets	1 %
Non-performing assets:	
- Sub-standard assets	10 %
- Doubtful assets	100 %
- Loss assets	Write-off

h. 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.



[Handwritten signature]



[Handwritten signature]

Jain Sons Finlease Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

i. Employee benefits

Gratuity

Gratuity is a post-employment defined benefit obligation. The liability recognized in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date, together with adjustments for past service costs. 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 year in which such gains or losses arises.

j. Foreign currency transactions and translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on the reporting of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

k. Taxes

Tax expense comprises of current and deferred tax.

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax

Deferred tax charges or credits reflect the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future periods; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed 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 realized.



Am



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

l. Employee share based payments

Measurement and disclosure of the employee share-based payment plans is done in accordance with the guidance note on "Accounting for Employee Share-based Payments", issued by the ICAI. The excess of intrinsic value of the stock on the date of grant over the exercise price of the option is recognized as expense in the statement of profit and loss on straight-line method over the vesting period. The accumulated amortized portion of cost is shown under employee share based payment outstanding account.

m. 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.

n. Grants

Grants from charitable organizations are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Other grants with no further costs are recognized in the statement of profit or loss in the period in which they become receivable.

o. Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and include short term investments with an original maturity of three months or less.

q. Provisions and contingent liabilities

Provision is recognized when the Company has a present obligation as a result of a past event and when 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 their present value and are determined based on management's 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 management estimates. A disclosure of a contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.



Sm



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

3. Share capital

	31 March 2013		31 March 2012	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹10 each	10,000,000	100,000,000	10,000,000	100,000,000
0.001% Compulsory Convertible Preference Shares ("CCPS") of ₹20 each	2,000,000	40,000,000	-	-
	<u>12,000,000</u>	<u>140,000,000</u>	<u>10,000,000</u>	<u>100,000,000</u>
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	9,289,723	92,897,230	7,000,001	70,000,010
	<u>9,289,723</u>	<u>92,897,230</u>	<u>7,000,001</u>	<u>70,000,010</u>

a) Reconciliation of equity share capital

	31 March 2013		31 March 2012	
	Number	Amount	Number	Amount
Balance at the beginning of the year	7,000,001	70,000,010	880,150	8,801,500
Add: Allotted during the year	<u>2,289,722</u>	<u>22,897,220</u>	<u>6,119,851</u>	<u>61,198,510</u>
Balance at the end of the year	<u>9,289,723</u>	<u>92,897,230</u>	<u>7,000,001</u>	<u>70,000,010</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 general meeting.

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

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

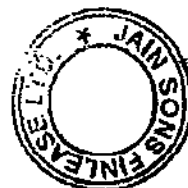
	31 March 2013		31 March 2012	
	Number	Amount	Number	Amount
ICAP, the holding company	5,999,995	59,999,950	6,450,001	64,500,010
Intellicash Microfinance Network Company Private Limited, a subsidiary of the holding company	<u>1,000,000</u>	<u>10,000,000</u>	<u>550,000</u>	<u>5,500,000</u>

d) Details of shareholders holding more than 5% paid-up equity share capital

	31 March 2013		31 March 2012	
	Number	% holding	Number	% holding
ICAP	5,999,995	64.59%	6,450,001	92.14%
Intellicash Microfinance Network Company Private Limited ("Intellicash")	1,000,000	10.76%	550,000	7.86%
Michael and Susan Dell Foundation	<u>1,721,722</u>	<u>18.53%</u>	-	-



Handwritten signature



e) Shares reserved for issue under options

Employee share based payment

At its meeting held on 10 December 2012, the Board of Directors ("the Board") has approved allotment of 840,889 equity shares of ₹10 each to employees of the Company under a share based employee compensation plan.

Of these, the Board has identified 560,000 equity shares for allotment to Mr. Sanjib Kumar Jha, Chief Executive Officer ("CEO") of the Company for no consideration. These shares would vest equally on an annual basis over a period of three years from the effective date of his appointment i.e. 1 December 2012.

The balance 280,889 equity shares shall be allotted to eligible employees of the Company based on recommendation of CEO and approval of the Board.

The Company has considered ₹12.63 as intrinsic value of each equity share for the purpose of recording share based employee compensation.

In the opinion of the management, the cost of share based payments under fair value method is not expected to be significantly different from the cost determined under intrinsic value method and also as the cost of share based payment does not form a significant part of the total cost, the pro forma disclosure regarding impact of fair value method on the reported net profit and earnings per equity share is not considered necessary.

CCPS

Pursuant to the terms of Shareholders Agreement ("SHA") dated 7 February 2013 between the Company, ICAP ("Promoter"), Mr. Vineet Rai ("Promoter"), Michael & Susan Dell Foundation ("the investors") and Mr. Sanjib Kumar Jha, Chief Executive Officer and Key Person ("CEO"), the Company had reserved issuance of 2,000,000 (31 March 2012: Nil) CCPS of ₹20 each for offer to the investors. CCPS shall be fully and mandatorily convertible in to equity shares at a price as set out in the SHA.

(This space has been intentionally left blank)



Jha

Jain Sons Finlease Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

4. Reserves and surplus

	31 March 2013	31 March 2012
Statutory reserve fund		
Balance at the beginning of the year	1,422	1,422
Add: Appropriations	1,449,059	-
Balance at the end of the year	1,450,481	1,422
Securities premium account		
Balance at the beginning of the year	-	-
Add: Received during the year	12,782,780	-
Less: Share issue expenses	2,432,000	-
Balance at the end of the year	10,350,780	-
Employee share based payment outstanding account		
Balance at the beginning of the year	-	-
Add: Compensation for options granted during the year	1,440,756	-
Balance at the end of the year	1,440,756	-
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	(1,687,621)	(52,455)
Add: Profit/(loss) for the year	7,245,295	(1,635,166)
Less: Transferred to statutory reserve fund	(1,449,059)	-
Balance at the end of the year	4,108,615	(1,687,621)
	<u>17,350,632</u>	<u>(1,686,199)</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. Appropriations refers to transfer made during the year.

5. Provisions

	31 March 2013	31 March 2012
Non-current		
Provision for gratuity	16,565	83,516
Contingent provision against standard assets	430,916	12,500
	<u>447,481</u>	<u>96,016</u>
Current		
Provision for gratuity	-	1,277
Contingent provision against standard assets	560,357	69,047
Provision for tax (net of advance tax)	3,217,354	-
	<u>3,777,711</u>	<u>70,324</u>
Contingent provision against standard assets		
Balance at the beginning of the year	81,547	-
Add: Charged during the year	978,773	81,547
Less: Utilized / reversed during the year	(69,047)	-
Balance at the end of the year	<u>991,273</u>	<u>81,547</u>



Jain Sons Finlease Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

The following table set out the status of the gratuity plan as required under AS - 15 - Employee Benefits and the reconciliation of opening and closing balances of the present value and defined benefit obligation.

Expense recognised in the statement of profit and loss

	<u>31 March 2013</u>
Current service cost	2,896
Interest cost on benefit obligation	7,207
Net actuarial (gain) / loss	<u>(78,331)</u>
Net expense	<u>(68,228)</u>

Actual return on plan assets

-

Changes in present value of the defined benefit obligation for gratuity

	<u>31 March 2013</u>
Opening defined benefit obligation	84,793
Interest cost	7,207
Current service cost	2,896
Actuarial (gains)/ losses on obligations	<u>(78,331)</u>
Closing defined benefit obligation	<u>16,565</u>

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

	<u>31 March 2013</u>
Discounting rate (p.a)	8.50%
Increase in compensation cost	5.00%
Employee turnover	20.00%
Retirement age (years)	<u>58</u>

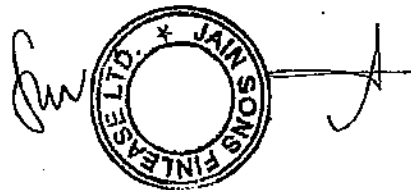
The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

6. Other current liabilities

	<u>31 March 2013</u>	<u>31 March 2012</u>
Unearned income	24,799,083	-
Statutory liabilities	5,723,614	131,670
Other liabilities	3,967,699	205,489
	<u>34,490,396</u>	<u>337,159</u>



(This space is intentionally left blank)



Jain Sons Finlease Limited

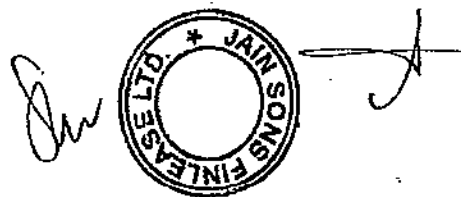
Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

7. Tangible fixed assets

	Computers	Office equipment	Furniture and fixtures	Total
Gross block				
As at 1 April 2011	28,175	-	15,669	43,844
Additions	114,865	40,098	-	154,963
Disposals	(28,175)	-	(15,669)	(43,844)
As at 1 April 2012	<u>114,865</u>	<u>40,098</u>	<u>-</u>	<u>154,963</u>
Additions	268,682	10,900	-	279,582
Disposals	-	-	-	-
As at 31 March 2013	<u>383,547</u>	<u>50,998</u>	<u>-</u>	<u>434,545</u>
Depreciation				
Up to 31 March 2011	3,704	-	737	4,441
Charge for the year	10,726	605	-	11,331
Disposals	(3,703)	-	(737)	(4,440)
Up to 31 March 2012	<u>10,727</u>	<u>605</u>	<u>-</u>	<u>11,332</u>
Charge for the year	114,890	5,771	-	120,661
Disposals	-	-	-	-
Up to 31 March 2013	<u>125,617</u>	<u>6,376</u>	<u>-</u>	<u>131,993</u>
Net block				
As at 31 March 2013	257,930	44,622	-	302,552
As at 31 March 2012	<u>104,139</u>	<u>39,493</u>	<u>-</u>	<u>143,632</u>

(This space is intentionally left blank)



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

8. Deferred tax assets (net)

	31 March 2013	31 March 2012
Deferred tax liability		
On account of		
Fixed assets	31,043	-
Gross deferred tax liability	31,043	-
Deferred tax asset		
On account of		
Others	422,780	-
Gross deferred tax asset	422,780	-
Deferred tax assets, net	391,737	-

**9. Loan to customers
(Considered good)**

	31 March 2013	31 March 2012
Non-current		
Secured	30,319,318	-
Unsecured*	12,772,331	5,000,000
	43,091,649	5,000,000
Current		
Secured	15,331,541	-
Unsecured**	40,704,122	27,618,986
	56,035,663	27,618,986
	99,127,312	32,618,986

*Includes ₹5,272,331 (31 March 2012: Nil) due from Electronic Payment and Services Private Limited, in which Mr. Vineet Chandra Rai, Director of the Company is a Director.

**Includes dues from following companies in which Mr. Vineet Chandra Rai, Director of the Company is a Director:

Electronic Payment and Services Private Limited	14,454,122	-
Milk Mantra Dairy Products Private Limited	10,000,000	-

10. Current investments

	31 March 2013	31 March 2012
(Unquoted, non-trade)		
22,517.94 (31 March 2012: 26,196.90) units of Axis Liquid Fund- Institutional Growth	29,007,716	31,060,392
	29,007,716	31,060,392



Jain Sons Finance Limited**Summary of significant accounting policies and other explanatory information**
(All amounts in ₹ unless otherwise stated)**11. Cash and bank balances**

	<u>31 March 2013</u>	<u>31 March 2012</u>
Cash and cash equivalents		
Balances with banks in current accounts	18,297,928	1,410,473
Cash on hand	2,921	2,093
	<u>18,300,849</u>	<u>1,412,566</u>
Other bank balances		
Fixed deposit with bank (with maturity of less than 12 months)	10,000	-
	<u>18,310,849</u>	<u>1,412,566</u>

12. Short-term loans and advances
(Unsecured, considered good)

	<u>31 March 2013</u>	<u>31 March 2012</u>
Advances recoverable in cash or in kind or for value to be received*	1,148,530	3,080,469
Deposits	346,366	405,000
Advance tax	-	96,265
	<u>1,494,896</u>	<u>3,581,734</u>



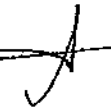
*Includes ₹1,000,000 (31 March 2012: Nil) due from Mr. Sanjib Kumar Jha, Director of the Company.

13. Other current assets
(Unsecured, considered good)

	<u>31 March 2013</u>	<u>31 March 2012</u>
Accrued interest	28,767	-
Interest receivable on loans	299,621	-
	<u>328,388</u>	<u>-</u>

(This space has been intentionally left blank)



Jain Sons Finlease Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

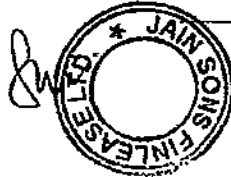
18. Related party disclosures

a) Name of the related parties and relationship

Name of the parties	Nature of relationship
ICAP	Holding company
Intellectash	Fellow subsidiary
1. Mr. Sanjib Kumar Jha (with effect from 1 December 2012) 2. Mr. Mani Raman Subra (upto 27 November 2012) 3. Mr. Ananda Swaroop Adavani (upto 23 December 2011) 4. Mr. Maniswetha Tetali (upto 31 March 2011)	Key management personnel (KMP)

b) Transactions during the year

	31 March 2013	31 March 2012
ICAP		
Equity investment	-	55,698,510
Rent	111,960	43,052
Reimbursable expenses incurred on behalf of the Company	535,354	11,613
Professional charges	674,160	-
Intellectash		
Equity investment	-	5,500,000
Transfer of assets to the Company	-	70,865
Transfer of loan portfolio to the Company	-	31,000,000
Shared service agreement	201,885	135,000
Reimbursable expenses incurred on behalf of the Company	175,643	94,190
Sanjib Kumar Jha		
Remuneration	1,583,336	-
Equity investment	2,500,000	-
Salary advance	1,000,000	-
Reimbursable expenses incurred on behalf of the Company	49,610	-
Reimbursable expenses incurred by the Company	21,125	-
Mani Raman Subra		
Remuneration	2,049,139	821,430
Reimbursable expenses incurred on behalf of the Company	34,883	-
Ananda Swaroop Adavani		
Remuneration	-	160,000
Share application money	-	230,000
Maniswetha Tetali		
Share application money	-	200,000



Jain Sons Finlease Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

c) Balances receivable/(payable)

	31 March 2013	31 March 2012
ICAP	(128,687)	226,887
Sanjib Kumar Jha	750,000	-

19. The Company has entered into cancellable operating lease arrangements in respect of its office premises. These lease arrangements are for a period of one year and may be extended for such future periods as mutually agreed at the option of the lessee.

The lease expense for cancellable operating leases during the year ended 31 March 2013 is ₹1,394,080 (31 March 2012: Nil)

20. Estimated amount of loans remaining to be disbursed on capital account not provided for is ₹45,000,000 (31 March 2012: Nil).

21. Compliance with Section 295 and Section 297 of the Act

In accordance with Section 295 and Section 297 of the Act, the Company shall obtain prior approval of the Central Government to make any loan or enter into certain transactions with specified related parties. The Company is in the process of making necessary applications for compounding of the contravention of not obtaining prior approvals of the Central Government. The loan was granted in the ordinary course of lending activity of the Company and other transactions were entered in the normal course of the business, hence the management is confident of receiving necessary approvals. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the financial statements. The details of such loan granted and transactions are as follows:

- (a) Loans aggregating to ₹22,000,000 given to Electronic Payment and Services Private Limited covered under Section 295 of the Act. The closing balance as at 31 March 2013 is ₹19,726,453 (31 March 2012: ₹Nil) of which ₹5,272,331 (31 March 2012: ₹Nil) is included in current and ₹14,454,122 (31 March 2012: ₹Nil) is non-current assets.

- (b) Legal professional fee of ₹674,160 (31 March 2012: ₹Nil) paid to ICAP covered under Section 297 of the Act.

- (c) Share services charges of ₹201,886 (31 March 2012: ₹135,000) paid to IntelleCash covered under Section 297 of the Act.

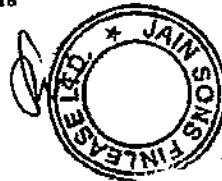
22. During the financial year ended 31 March 2013, the Company has raised equity capital under the automatic route as prescribed under the Foreign Direct Investment ("FDI") guidelines issued by the Government of India. Relying on the opinion of an independent counsel, the management is of the opinion that the said investment is in compliance with the extant guidelines notified by the RBI.

23. Earnings per equity share [EPES]

a) Computation of profit for the year

Profit for the year
Profit attributable to equity shareholders

31 March 2013
7,245,295
7,245,295



Jain Sons Finance Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

b) Computation of weighted average number of equity shares in computation of basic and diluted earnings per equity share

	31 March 2013
Weighted average number of shares considered for computation of basic EPES	7,138,985
Add: Effect of potential dilutive shares	114,074
Weighted average number of shares considered for computation of diluted EPES	<u>7,253,059</u>

c) Earnings per equity share [EPES]	
Basic EPES	1.01
Diluted EPES	<u>1.00</u>

24. Un-hedged foreign currency exposure

	31 March 2013		31 March 2012	
	USD	INR	USD	INR
Advances from customers	458,348	24,799,083	-	-

25. Earnings in foreign currency (accrual basis)

	31 March 2013	31 March 2012
Grant income (including service tax)	<u>20,939,880</u>	<u>-</u>

26. Expenditure in foreign currency (accrual basis)

	31 March 2013	31 March 2012
Workshop fees	<u>280,250</u>	<u>-</u>

27. Based on information available with the Company, as at 31 March 2013, 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.

28. Additional disclosures pursuant to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by RBI

31 March 2013	
Amount outstanding	Amount overdue

Liabilities side:

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(a) Debentures

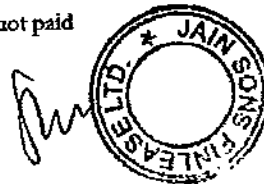
Secured

Unsecured

(other than falling within the meaning of public deposits)

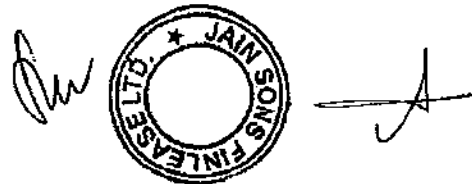
(b) Deferred Credits

(c) Term Loans, including interest accrued but not paid



Jain Sons Finlease Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
	<hr/>	<hr/>
		31 March 2013
Assets side:		
(2) Break up of Loans and advances including receivable:		
a) Secured, gross		45,650,859
b) Unsecured, gross		<u>53,476,453</u>
 (3) Break up of Leased Assets		
(i) Lease assets including lease rentals under sundry debtors:		
(a) finance lease		-
(b) operating lease		-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) assets on hire		-
(b) repossessed asset		-
(iii) Other loans counting towards AFC activities		
(a) loans where assets have been repossessed		-
(b) loans other than (a) above		-
		<hr/>
(4) Breakup of investments (long-term unquoted equity)		
Current Investments :		
1. Quoted		
(i) Shares :		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		29,007,716
(iv) Government Securities		-
(v) Others		-
2. Unquoted		
(i) Shares :		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

Long Term investments :

1. Quoted

(i) Shares :

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others

2. Unquoted

(i) Shares:

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others

Net of provision as at 31 March 2013

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

Category

1. Related parties

(a) Subsidiaries

(b) Companies in the same group

(c) other related parties

2. Other than related parties

Total

	Secured	Unsecured	Total
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties	45,650,859	53,476,453	99,127,312
Total	45,650,859	53,476,453	99,127,312

(6) Investor group-wise classification of all investments (currents and long term) in shares and securities (both quoted and unquoted)

Category

1. Related parties

2. Other than related parties

Total

	Market value / Breakup or fair value or NAV	Book value (net of provisions)
1. Related parties	-	-
2. Other than related parties	29,271,833	29,007,716
Total	29,271,833	29,007,716



[Handwritten signature]



Jain Sons Finlease Limited
Summary of significant accounting policies and other explanatory information
 (All amounts in ₹ unless otherwise stated)

31 March 2013

- (7) Other information
- (i) Gross non-performing assets
 - (a) Related parties
 - (b) Other than related parties
 - (ii) Net non-performing assets
 - (a) Related parties
 - (b) Other than related parties
 - (iii) Assets acquired on satisfaction of debt

29. Segment reporting

Based on the Company's business model and considering the internal financial reporting to the management, "Lending to SMEs" has been considered as the only reportable segment. Further, all operations are based only in India. Hence, no separate financial disclosures have been provided for segment reporting.

30. 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.

31. Change of name, registered address and status

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 Andhra Pradesh and conversion from public company to a private company. The said changes are subject to the approval of the RBI. The Company is in the process of obtaining requisite approval from the RBI.

32. Previous year's figures have been regrouped/rearranged to confirm to those of the current year.

33. Subsequent events

In May 2013, the Company had received ₹40,000,000 from Michael and Susan Dell Foundation towards investment in CCPS.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

Walker, Chandlok & Co
 For Walker, Chandlok & Co
 Chartered Accountants

Sanjay
 per Sanjay Kumar Jain
 Partner



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

Sanjib Jha
 Sanjib Jha
 Director and Chief
 Executive Officer

Place: Hyderabad
 Date: 26 Aug 2013

Anurag Agrawal
 Anurag Agrawal
 Director



Place: Hyderabad
 Date: 26 Aug 2013