

ANNUAL REPORT OF JAIN SONS FINLEASE LIMITED 2015 - 2016

BOARD OF DIRECTORS:

Vineet Chandra Rai
Rakesh Rewari
Bhama Krishnamurthy
Pradeep Pursnani
Anuradha Ramachandran
Anurag Agrawal
Sanjib Kumar Jha

Chairman
Independent Director
Independent Director
Nominee Director
Nominee Director
Director
Director & CEO

Nitin Agrawal
Chirag Desai

Chief Financial Officer
Company Secretary

KEY MANAGERIAL PERSONNEL:

Sanjib Kumar Jha
Nitin Agrawal
Chirag Desai

Director & CEO
Chief Financial Officer
Company Secretary

BANKERS:

Kotak Mahindra Bank
Axis Bank

DEBENTURE TRUSTEE:

GDA Trusteeship Limited
GDA House, Plot No. 85, Bhusari Colony, Paud Road,
Pune – 411 038

REGISTRAR AND SHARE TRANSFER AGENT:

For Debentures:
Sharepro Services (India) Private Limited
13 AB Samhiata Warehousing Complex,
Andheri Kurla Road
Mumbai - 400 072

STATUTORY AUDITORS:

Walker Chandiook & Co LLP
Chartered Accountants

REGISTERED OFFICE:

1002, 10th Floor, A Block,
The Platina, Gachibowli,
Hyderabad – 500034, Telangana
Tel: 91-40-4030 0200; Fax: 91-40-4030 0275
Website: www.intellegrow.com
CIN: U65910AP1998PLC088941

18th Annual General Meeting of Jain Sons Finlease Limited will be held on Thursday, the 26-May-2016 at 03:00 pm at the Radisson Hyderabad Hitech City, Gachibowli, Miyapur Road, Hyderabad – 500 032

CORPORATE OFFICE:

13C, 6th Floor, Techniplex-II IT Park,
Off. Veer Savarkar Flyover,
Goregaon (West), Mumbai – 400062
Tel: 91-22-6195 2700; Fax: 91-22-6195 2701

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NOTICE

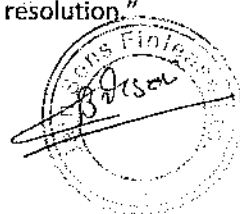
Notice is hereby given that the Eighteenth Annual General Meeting of Jain Sons Finlease Limited will be held on Thursday, the 26-May-2016 at 03:00 pm at Radisson Hyderabad Hitech City, Gachibowli, Miyapur Road, Hyderabad – 500 032, to transact the following business:

ORDINARY BUSINESS:

- 1. Adoption of Audited Annual Accounts for the year ended as on 31-Mar-2016:**
To receive, consider and adopt the Audited Balance Sheet as at 31-Mar-2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
- 2. Re-appointment of Ms. Anuradha Ramachandran, Nominee Director of the company, who retires by rotation:**
To appoint a Director in place of Ms. Anuradha Ramachandran (DIN: 01983108), Nominee Director of the company, who retires by rotation and being eligible, offers herself for re-appointment.
- 3. Re-appointment of Mr. Sanjib Kumar Jha, Director & CEO of the company, who retires by rotation:**
To appoint a Director in place of Mr. Sanjib Kumar Jha (DIN: 03409208), Director & CEO of the company, who retires by rotation and being eligible, offers himself for re-appointment.
- 4. Appointment of M/s. Walker Chandiook & Co LLP (having Firm Registration Number: 001076N), Statutory Auditors and fixing of their remuneration for another term of five consecutive years:**
To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Walker Chandiook & Co LLP, Chartered Accountants (having Firm Registration Number: 001076N) be and is hereby appointed as the Statutory Auditors of the company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of Twenty Second Annual General Meeting of the Company, subject to ratification to the said appointment at every Annual General Meeting, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the company and the Statutory Auditor."

RESOLVED FURTHER THAT the Board or Mr. Nitin Agarwal, COO & CFO or Mr. Chirag Desai, Company Secretary of the company, be and are severally hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."



SPECIAL BUSINESS:

5. Approval of Service Agreement to be entered with Intellecash Microfinance Network Company Private Limited:

To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into a 'Service Agreement' to extend lending to such micro enterprises through a co-lending and/or direct lending through the Business Correspondent model with Intellecash Microfinance Network Company Private Limited, a Company in which Mr. Anurag Agrawal, Director of the Company is interested as Director and shareholder in the said Intellecash Microfinance Network Company Private Limited, for a period of two years commencing from 26-May-2016 on such terms and conditions as mentioned in the said draft contract.

RESOLVED FURTHER THAT the draft 'Service Agreement', as placed before the meeting and initialled by the Chairman for the purpose of identifications be and is hereby approved.

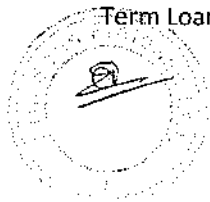
RESOLVED FURTHER THAT the Board or Mr. Nitin Agrawal, COO & CFO or Mr. Chirag Desai, Company Secretary of the company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

6. Sanctioning of Term Loan of Rs. 8,00,00,000/- to Intellecash Microfinance Network Company Private Limited:

To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 185, 186 and 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and rules made thereunder, consent of the members of the company be and is hereby accorded to the Board of the company for sanctioning term loan of Rs. 8,00,00,000/- (Rupees Eight Crore only) to Intellecash Microfinance Network Company Private Limited, a Company in which Mr. Anurag Agrawal, Director of the Company is interested as Director and shareholder in the said Intellecash Microfinance Network Company Private Limited on such terms and conditions as may be mutually agreed between the company and Intellecash Microfinance Network Company Private Limited.

RESOLVED FURTHER THAT any director or Mr. Nitin Agrawal, COO & CFO or Mr. Chirag Desai, Company Secretary of the company be and are hereby severally authorized to take all actions in respect of the aforesaid matters and to execute all agreements, deeds, documents, undertakings and other writings as may be necessary or required for the purposes aforesaid and to accept and execute any amendments or modifications to any agreements, deed, documents, undertakings and other writings, and to sign and issue all correspondence, approvals, incidental to or required in respect of the sanctioning of the Term Loan to Intellecash Microfinance Network Company Private Limited.



RESOLVED FURTHER THAT a Certified True Copy of the resolution signed by any Director of the Company be furnished to the said lender for their record.”

7. Revision in remuneration payable to Mr. Sanjib Kumar Jha, Director & CEO of the Company:

To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution**:

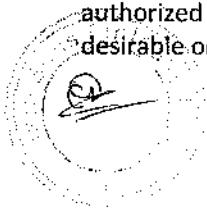
“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the revision in remuneration payable to Mr. Sanjib Kumar Jha, Director & CEO of the Company for the remaining period of his tenure w.e.f 01-Apr-2016 as detailed below be and is hereby approved:

Sl. No.	Particulars	Composition
1	Fixed Salary (including free furnished accommodation)	Rs.60,00,000/- per annum with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V of the Companies Act, 2013.
2	Performance linked variable pay	Upto 50% of fixed amount
3	Mediclaim coverage	As per rules of the Company's scheme
4	Leave Encashment	As per rules of the Company's scheme
5	Provident Fund	As per rules of the Company's scheme
6	Telephone expense reimbursement	As per rules of the Company's scheme


RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Sanjib Kumar Jha, as a Director & CEO of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT Mr. Vineet Chandra Rai, Chairman or Mr. Anurag Agrawal, Director of the Company be and are hereby severally authorised to enter into an agreement /issue a letter for appointment and increase in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT any director of the company or Mr. Nitin Agrawal, COO & CFO or Mr. Chirag Desai, Company Secretary of the company, be and are severally hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution.”



By Order of the Board of Directors


Chirag Desai
Company Secretary
(Membership No.: A22880)

Hyderabad, 26-May-2016

Registered Office:

1002, 10th Floor, A Block,
The Platina, Gachibowli,
Hyderabad – 500 032
CIN: U65910AP1998PLC088941

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts is annexed hereto.
2. Corporate Members are requested to send duly certified copy of Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the Annual General Meeting of the company.
3. Members seeking any information with regard to the accounts and operations, are requested to write to the company to enable the Management to keep the information ready at the meeting.
4. Members holding shares in physical form are requested to notify immediately any change in their address to the company.
5. The Register of Directors' Shareholdings maintained under Section 170 and Register of Contract or arrangements in which Director are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the company during the Annual General Meeting.

Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 5 to 7 of the accompanying Notice:

Item No. 5 – Approval of Service Agreement to be entered with Intellectash Microfinance Network Company Private Limited:

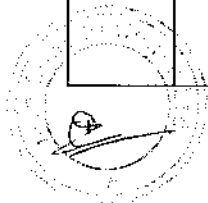
The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013, which governs the Related Party Transactions, and it requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up share capital of rupees Ten crore or more, prior approval of the shareholders by way of a Special Resolution must be obtained for the following transactions:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company in their meeting held on 26-May-2016, had approved the Service Agreement, to be enter into with Intellectash Microfinance Network Company Private Limited.

The particulars of the transaction pursuant to the provisions of Section 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Sl. No.	Particulars	Capital Advisory Contract
1	Name of the Related Party	Intellectash Microfinance Network Company Private Limited
2	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Anurag Agrawal
3	Nature of Relationship	Mr. Anurag Agrawal is interested as Director/Shareholder in Intellectash Microfinance Network Company Private Limited
4	Nature, Material Terms, Monetary value and particulars of the contract or arrangement	Availment of Services such as sourcing, negotiating, credit assessment, loan underwriting, credit approval, tie up for collection mechanism and collections to the extent the same is not recovered through the set mechanism. Term of Agreement will be for a period of 2 years w.e.f. 26-May-2016 to 25-May-2018.



		The Company will pay a commission to Intellectash Microfinance Network Company Private Limited for various activities to be performed by Intellectash to the extent that IRR on loans made by the Company shall be in line with its general lending and commercial norms for other borrowers.
5	Any other information relevant or important for the members to take a decision on the proposed resolution	The availing of such services from Intellectash is in relation to business enhancement and towards the benefit of the Company. The respective agreement is entered on arm's length basis and all factors relevant to the respective agreement have been considered by the Audit and Compliance Committee and by the Board.

The above agreement was approved by the Audit and Compliance Committee of the Board of the Company at its meeting held on 26-May-2016 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 5 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No. 5 for approval of the Members.

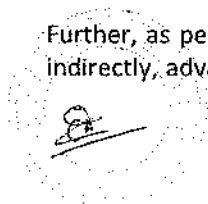
Except Mr. Anurag Agrawal, no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.

Item No.6 - Sanctioning of Term Loan of Rs. 8,00,00,000/- to Intellectash Microfinance Network Company Private Limited.

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013, which governs the Related Party Transactions, and it requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up share capital of rupees Ten crore or more, prior approval of the shareholders by way of a Special Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Further, as per provisions of section 185 of the Companies Act, 2013 no Company shall, directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its director or



to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person.

Intellectash Microfinance Network Company Private Limited has approached the Company for availing the term loan for their onlending to MSME clients requirements and Mr. Anuragh Agarwal being the common Director for both the Company as a prudent Corporate Governance practise and in light of provisions of the Companies Act, 2013, the Board of Directors of your Company in their meeting held on 26-May-2016, had approved the sanctioning of term loan of Rs. 8,00,00,000/- to Intellectash Microfinance Network Company Private Limited.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Sl. No.	Particulars	Secondary Sale Contract
1	Name of the Related Party	Intellectash Microfinance Network Company Private Limited
2	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Anurag Agrawal
3	Nature of Relationship	Mr. Anurag Agrawal is interested as Director/Shareholder in Intellectash Microfinance Network Company Private Limited
4	Nature, Material Terms, Monetary value and particulars of the contract or arrangement	Term Loan of Rs.8,00,00,000/- (Rupees Eight Crore only) with a tenor of 12 to 40 months along with Rate of Interest of 19% p.a. to be paid monthly along with 1% plus applicable service tax as processing fees and transaction security provided is Four Un-dated security cheques.
5	Any other Information relevant or important for the members to take a decision on the proposed resolution	Sanctioning of the term loan facility to Intellectash Microfinance Network Company Private Limited is for the purpose on onlending to their MSME clients

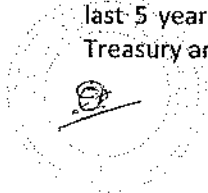
The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 6 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No. 6 for approval of the Members.

Except Mr. Anurag Agrawal, no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.

Item No.7 – Revision in remuneration payable to Mr. Sanjib Kumar Jha, Director & CEO of the Company:

Mr. Sanjib Kumar Jha, Director & CEO of the Company has been associated with the Company since last 5 years. He is Company Secretary and has knowledge and experience in the field of Finance, Treasury and Business Administration.



Considering his experience, knowledge and contributions made in growth of the Company and as recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company has revised the remuneration payable to him for the period of his tenure, w.e.f. 01-Apr-2016 as follows:

Sl. No.	Particulars	Composition
1	Fixed Salary (including free furnished accommodation)	Rs.60,00,000/- per annum with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule V of the Companies Act, 2013.
2	Performance linked variable pay	Upto 50% of fixed amount
3	Mediclaim coverage	As per rules of the Company's scheme
4	Leave Encashment	As per rules of the Company's scheme
5	Provident Fund	As per rules of the Company's scheme
6	Telephone expense reimbursement	As per rules of the Company's scheme

The above remuneration is to be paid as minimum remuneration in the absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

The Board recommends the Special Resolution as set out at item no. 7 of the notice for approval of the Members.

Except, Mr. Sanjib Kumar Jha, none of the Directors, Key Managerial Personnel of your Company or their relatives are concerned or interested in the said resolution.

Additional Information for Item No. 7:

The details as required Schedule V of the Companies Act, 2013, are given below:

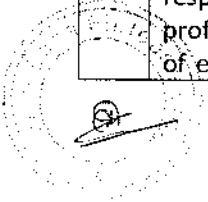
I. General Information:

1	Nature of Industry	The company is engaged in the business of lending or advancing money either with or without security and to arrange and negotiate loan.
2	Date or expected date of commencement of commercial production	The Company is an existing company and is in operation since 1998
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	<u>As on 31-Mar-2016:</u> EPS: Rs.0.93 per share Total Revenues: Rs.31,35,45,162/- Profit After Tax: Rs.1,00,95,650/-
5	Foreign investments or collaborations, if any.	Rs 10,00,00,000/- by Michael and Susan Dell Foundation; Rs 25,00,00,025/- by Omidyar Network

II. Information about the appointee:

1	Background details	Mr. Sanjib Kumar Jha, aged 40 years had led the corporate affairs and finance functions for Intellectap and its group companies. He
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		<p>worked closely with the Managing Director, Chief Operating Officer, and the Boards of Intellectap and its group companies strategizing and executing the next steps in the growth of Intellectap. He also served as an internal advisor to Intellectap's subsidiary companies.</p> <p>Mr. Sanjib Kumar Jha has over 15 years of experience in business planning, mergers and acquisitions, transaction structuring, negotiation, execution, deal closure and portfolio management, management information systems, financial accounting, relationship management with institutional investors, venture capital funds, and key partners.</p> <p>In the past, Mr. Sanjib Kumar Jha was among the initial founding team member at ATS Services, a domestic BPO, and later joined Actis, where he concentrated on transactions and facilitated exits through public markets in the financial services, FMCG, pharmaceutical and automotive sectors. After Actis, Mr. Sanjib Kumar Jha played a role in setting up Lok Capital in India. At Lok, he was also responsible for investments with major Indian MFIs. Mr. Sanjib Kumar Jha is a qualified Company Secretary.</p>
2	Past Remuneration	Fixed Salary: Rs.55,00,000/- Performance linked variable pay: upto 50% of the fixed amount
3	Recognition or awards	Mr. Sanjib Kumar Jha is having good experience in the industry in which the Company operates.
4	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day treasury business activities. He is also responsible for new business development of the Company. Taking into consideration his expertise, he is well suited for the responsibilities currently assigned to him by the Board of Directors of the Company.
5	Remuneration proposed	Fixed Salary: Rs.60,00,000/- Performance linked variable pay: upto 50% of the fixed amount
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would	At par with the industry standards in which the Company operates



	be with respect to the country of his origin)	
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	No relationship with any promoter, directors or other managerial personnel.

III. Other Information:

1	Reasons of loss or inadequate profits	Not Applicable
2	Steps taken or proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable	Not Applicable

By Order of the Board of Directors



Chirag Desai
Company Secretary
(Membership No.: A22880)

Hyderabad, 26-May-2016

Registered Office:

1002, 10th Floor, A Block,
The Platina, Gachibowli,
Hyderabad – 500 032
CIN: U65910AP1998PLC088941



DIRECTORS' REPORT

To the Members of Jain Sons Finlease Limited (Intellegrow),

Your Directors have pleasure in submitting their Eighteenth Annual Report of the company together with the Audited Statement of Accounts for the year ended 31-Mar-2016.

1. Financial Results:

Particulars	Current Year ended 31-Mar-2016 (in Rs.)	Previous Year ended 31-Mar-2015 (in Rs.)
Revenue from Business Operations	30,81,08,706	20,94,78,149
Other Income	54,36,456	1,213
Total Revenues	31,35,45,162	20,94,79,362
Less: Expenses	13,67,72,126	7,60,92,504
Profit before Interest and Depreciation	17,67,73,036	13,33,86,858
Less Interest	16,08,93,121	7,06,02,823
Profit before Depreciation	1,58,79,915	6,27,84,035
Less: Depreciation	18,22,368	16,52,312
Profit after Depreciation and Interest	1,40,57,547	6,11,31,723
Less: Current Income Tax	59,80,815	2,32,92,922
Less: Deferred tax benefits	(39,67,838)	(37,08,456)
Less: Tax of earlier years	19,48,920	30,80,862
Net Profit after Tax	1,00,95,650	3,84,66,395
Amount transferred to Statutory Reserve	20,19,130	76,93,279
Balance carried to Balance Sheet	80,76,520	3,07,73,116
Earnings per share (Basic)	0.93	3.56
Earnings per share (Diluted)	0.62	2.38

2. Dividend:

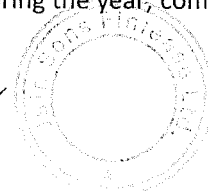
In the month of April, 2015 the company had declared an Interim Dividend at the rate of 0.001% per annum for the financial year 31-Mar-2015 to all Non-Cumulative Compulsorily Convertible Preference Shareholders of the company and the same has been paid to all the respective shareholders.

No Final dividend has been recommended to the shareholders of the company for their approval.

3. Review of Business Operations and Future Prospects:

The company stayed focussed at lending to Small and Growing Businesses as its mandated focus area. Most of these were early stage businesses, either startups beginning to scaleup, or existing businesses diversifying into new businesses including the companies running at small scale and now starting to scale up. We were able to service the needs of companies with limited operational and financial track record with limited ability to provide hard collaterals. We continued to use detailed due diligence in assessing projected cashflows as a surrogate to taking Securities for lending coverage. Our focus continued with businesses making Social and Environmental Impact.

The company started the year with a portfolio of 67 Small and Growing businesses which had been lent a total of Rs. 201cr out of which Rs. 136cr was outstanding. During the year, company disbursed



a total of Rs 132cr in loans to companies. With this, the company has cumulatively disbursed Rs.333cr to 98 companies and has Rs.153crore outstanding portfolio. The company has been able to continue to service the growing debt needs of existing portfolio companies to some extent. At the same time, the company has been able to prospect new entities into its portfolio.

The company continued to focus on a diversified sector and sub-sector approach – lending to 21 subsectors covering Financial Inclusion/ Clean Energy/ Healthcare/ Water and Sanitation/ Agricultural supply chain / Education and businesses generating urban employment for low-income community.

The company has consistently strengthened its internal capacitation. On the team side, Intellegrow has grown from 24 people team in March 2015 to 30 people team in March 2016. More team members are expected to get added as the scale as size of business grows. This is complemented by increasing verticalisation and specialisation in functional teams. This has also helped in implementation of various control processes with maker, checker, verifies and approver.

With team strengthening, the company intends to follow a 3 dimensional growth strategy –

- Horizontal Expansion: with diversification into new Sectors and sub-sectors;
- Diagonal Expansion: Product Diversification including off balance sheet structures;
- Vertical Expansion: Growing exposures within the existing portfolio companies with good track record.

Most of the exposure by the company was through term debt with credit risk completely on Intellegrow's Balance sheet. The size of exposure is also limited by the Networth of Intellegrow while some of these small and growing businesses require higher debt. We have leveraged our capability to assess these businesses to help them source more debt besides our loans. This has helped Intellegrow diversify its service provision and also help it improve its revenue profile from the serviced companies with more fee income from them. Such services include working as an arranger, debt syndication, doing structured finance with partial guarantees etc. We have also successfully executed our first warrant transaction and we intend to replicate this and close a few more such transactions in FY17.

4. Shares:

a. Buy back of securities:

The company has not bought back any of its securities during the year under review.

b. Sweat Equity:

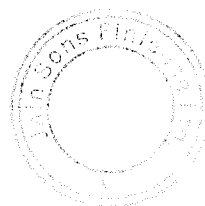
The company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares:

No Bonus Shares were issued during the year under review.

d. Employees Stock Option plan:

The company has not provided any Stock Option Scheme to the employees during the year under review.



e. Private Placement:

During the year under review, the company has issued and allotted 1,50,000 Equity Shares of Rs 10/- each at fair market value to the following persons on private placement basis on 03-Nov-2015:

Sl. No.	Name & Occupation of Allottees	Address of the Allottees	Number of shares allotted
1	Nitin Agrawal Occupation: Service	A-1701, Swapnalok Towers, Pimpripada Road, Malad (East), Mumbai – 400 097, Maharashtra	1,00,000
2	Rajan Juneja Occupation: Service	203, Golden Rays Apartments, Shashtri Nagar, Andheri (W), Mumbai -400 053, Maharashtra	35,000
3	Pratik Mandvia Occupation: Service	B-302, Kuber Apartment, KVSC Lane, Mahavir Nagar, Kandivali (West), Mumbai – 400 067, Maharashtra	7,500
4	Ruchir Shah Occupation: Service	133, Sakti Apartments, M. G. Road, Kandivali (West), Mumbai – 400 067, Maharashtra	7,500
Total			1,50,000

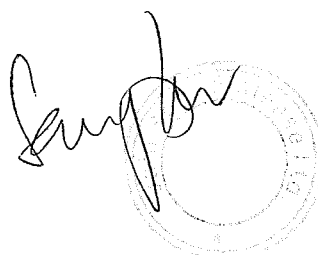
f. Authorised Share Capital:

During the year under review, the Authorised Share Capital of the company has been increased from from existing Rs. 49,50,00,000/- (Rupees Forty Nine Crore Fifty Lakhs only) divided into 1,75,00,000 (One Crore Seventy Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 20,00,000 (Twenty Lakhs) Compulsorily Convertible Preference Shares of Rs. 20/- (Rupees Twenty Only) each, 3,00,000 (Three Lakhs) Series B2 Compulsorily Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 25,00,000 (Twenty Five Lakhs) Series B1 Compulsorily Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each to Rs. 55,50,00,000/- (Rupees Fifty Five Crore Fifty Lakhs only) divided into 1,75,00,000 (One Crore Seventy Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 20,00,000 (Twenty Lakhs) Compulsorily Convertible Preference Shares of Rs. 20/- (Rupees Twenty Only) each, 3,00,000 (Three Lakhs) Series B2 Compulsorily Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 25,00,000 (Twenty Five Lakhs) Series B1 Compulsorily Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each and 60,00,000 (Sixty Lakhs) Series C Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each by way of passing an ordinary resolution in the Extra-Ordinary General Meeting of the members of the company held on 18-Sep-2015.

g. Paid-up share Capital:

During the year under review, the company has issued and allotted 1,50,000 (One Lakhs Fifty Thousand) Equity Shares of Rs. 10/- each at a premium of Rs. 33.34/- each to Employees of the company on 03-Nov-2015. As on 31-Mar-2016, the paid up share capital of the company is Rs. 38,96,88,280/- (Rupees Thirty Eight Crore Ninety Six Lakhs Eighty Eight Thousand Two hundred and Eighty only) divided into 1,09,69,348 (One Crore Nine Lakhs Sixty Nine Thousand Three Hundred and Forty Eight) Equity Shares of Rs. 10/- (Rupees Ten only); 3,00,000 (Three Lakhs) Compulsory Convertible Preference Shares - Class B1 of RS. 100/- (Rupees One Hundred only) each and 24,99,948 (Twenty Four lakhs Ninety Nine Thousand Nine Hundred and Forty Eight) Compulsory Convertible Preference Shares - Class B2 of RS. 100/- (Rupees One Hundred only) each.

5. Directors and Key Managerial Personnel:



a. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the company, Ms. Anuradha Ramachandran (DIN:01983108), Nominee Director and Mr. Sanjib Kumar Jha (DIN: 03409208), Director & CEO of the company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered themselves for re-appointment and your Board recommends their re-appointment.

b. Appointment of Directors:

During the year under review, the Board of Directors of the company appointed Ms. Bhama Krishnamurthy (DIN: 02196839), as an Independent Director w.e.f. 27-May-2015 with approval of the shareholders in their Annual General Meeting held on 27-May-2015 for the period of 5 years.

c. Cessation of Directors:

During the year under review, Mr. Satyam Darmora, Nominee Director of the company, as a nominee of M/s. Michael and Susan Dell Foundation had tendered his resignation as Nominee Director from the Board of the company on 02-Dec-2015. The Board places on record its appreciation for their valuable contribution made during his tenure as Director of the company.

d. Declaration from Independent Directors:

The company has received declarations from Mr. Rakesh Rewari and Ms. Bhama Krishnamurthy, Independent Directors of the company confirming that they meet the criteria of independence as stipulated in section 149(6) of the Companies Act, 2013.

e. Disqualification of Directors:

The company has received declarations from all the Directors including Independent Directors of the company confirming that they are not disqualifying on account of non-compliance with any of the provisions of the Act and as stipulated in Section 164 of the Companies Act, 2013.

f. Annual Performance evaluation of the Board:

Pursuant to the provisions of the Companies Act, 2013, the Independent Directors has carried out an evaluation of the performance of all other directors. Annual Performance evaluation of the Board was made based on the questionnaire to evaluate the performances of executive and non-executive directors. The evaluation framework for assessing the performance of Directors comprised of the following key areas:

- i. Composition of Board;
- ii. Oversight of Management;
- iii. Managing the Senior Management;
- iv. Information & Time;
- v. Board Dynamics;
- vi. Stakeholder Management;
- vii. Performance Evaluation.

6. Managerial Remuneration and other details:

The necessary details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration and other details pursuant to the Section 197(12) of the Companies Act, 2013 and as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – A** with this report.

7. Policy on Directors' appointment, payment of remuneration and discharge of their duties:

The company's policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions 2015 issued by the Reserve Bank of India is annexed as **Annexure - B** with this report.

8. Change of Registered Office:

During the year under review, the registered office of the company has been shifted from "8-2-682/1, 4th Floor, Road No. 12, Banjara Hills, Hyderabad – 500 034, Telangana" to "1002, 10th Floor, A Block, the Platina, Gachibowli, Hyderabad – 500 032, Telangana" w.e.f. 01-Jan-2016.

9. Number of Board Meetings conducted during the year under review:

The Board meets at regular intervals to discuss and decide on company's / business policy and strategy apart from other Board business. A tentative annual calendar of the Board and Committee Meetings of the company is placed in the Board Meeting at the start of each financial year to facilitate the Directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed and noted in the subsequent Board meeting.

The notice of Board meeting / Committee Meetings are given well in advance to all the Directors of the company. The agenda of the Board / Committee meetings are circulated prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met five (5) times during the year, the details of which are as given below:

Sl. No.	Date of Board Meeting	Venue of the Board Meeting	Name of Director's Present
1	21-Apr-2015	13C, Techniplex-II IT Park, 6 th Floor, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Anuradha Ramachandran 4. Mr. Satyam Darmora 5. Mr. Pradeep Pursnani 6. Mr. Anurag Agrawal 7. Mr. Sanjib Kumar Jha
2	27-May-2015	4 th Floor, Building 8-2-682/1, Banjara Hills Road No. 12, Hyderabad – 500034, Andhra Pradesh, India	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Anuradha Ramachandran 4. Mr. Satyam Darmora 5. Mr. Pradeep Pursnani 6. Mr. Anurag Agrawal 7. Sanjib Kumar Jha 8. Bhama Krishnamurthy
3	18-Sep-2015	13C, Techniplex-II IT Park, 6 th Floor, Off. Veer Savarkar Flyover, Goregaon (West),	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy

		Mumbai – 400062.	4. Ms. Anuradha Ramachandran 5. Mr. Satyam Darmora 6. Mr. Anurag Agrawal 7. Mr. Sanjib Kumar Jha
4	03-Nov-2015	13C, Techniplex-II IT Park, 6 th Floor, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Ms. Anuradha Ramachandran 5. Mr. Satyam Darmora 6. Mr. Pradeep Pursnani 7. Mr. Anurag Agrawal 8. Mr. Sanjib Kumar Jha
5	18-Feb-2016	13C, Techniplex-II IT Park, 6 th Floor, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Ms. Anuradha Ramachandran 5. Mr. Pradeep Pursnani 6. Mr. Anurag Agrawal 7. Mr. Sanjib Kumar Jha

10. Committees of the Board:

During the year under review, in accordance with the Companies Act, 2013, the Board had re-constituted and expanded scope of some of its Committees. There are currently seven Committees of the Board, as mentioned herein below:

1. Audit and Compliance Committee;
2. Nomination and Remuneration Committee;
3. Risk Committee;
4. Corporate Governance and Executive Committee;
5. Product, Process, Credit Policy and Grievance Redressal Committee;
6. Asset Liability Management Committee;
7. Corporate Social Responsibility Committee

The composition and number of meetings held during the year under review of the above said committees are as under:

Sl. No.	Name of the Committees	Composition of Committees during the FY 2016	Number of Meetings held during the FY 2016	Date of Meetings held during the FY 2016
1	Audit and Compliance Committee	1. Mr. Rakesh Rewari 2. Ms. Bhama Krishnamurthy 3. Mr. Pradeep Pursnani	Four	27-May-2015 18-Sep-2015 03-Nov-2015 18-Feb-2016
2	Nomination and Remuneration Committee	1. Mr. Rakesh Rewari 2. Ms. Bhama Krishnamurthy 3. Mr. Pradeep Pursnani 4. Mr. Anurag Agrawal	Four	27-May-2015 03-Nov-2015 18-Feb-2016 22-Feb-2016
3	Risk	1. Mr. Rakesh Rewari	Three	12-Jun-2015

	Committee	2. Ms. Bhama Krishnamurthy 3. Ms. Anuradha Ramachandran 4. Mr. Anurag Agrawal		18-Sep-2015 18-Feb-2016
4	Corporate Governance and Executive Committee	1. Mr. Vineet Chandra Rai 2. Ms. Bhama Krishnamurthy 3. Mr. Anurag Agrawal 4. Mr. Sanjib Kumar Jha	Four	21-Apr-2015 24-Aug-2015 19-Oct-2015
5	Product, Process, Credit Policy and Grievance Redressal Committee	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Anuradha Ramachandran 4. Mr. Sanjib Kumar Jha	Two	18-Sep-2015 18-Feb-2016
6.	Asset Liability Management Committee	1. Mr. Vineet Chandra Rai 2. Ms. Bhama Krishnamurthy 3. Ms. Anuradha Ramachandran 4. Mr. Sanjib Kumar Jha	Two	29-Jun-2015 18-Feb-2016
7	Independent Directors Meeting	1. Mr. Rakesh Rewari 2. Ms. Bhama Krishnamurthy	Two	28-Mar-2016

The Charters of the above said committees are annexed as **Annexure - C** with this Report.

11. Audit Committee and its Composition:

As on 31-Mar-2016, the Audit Committee comprises of Mr. Rakesh Rewari, Ms. Bhama Krishnamurthy and Mr. Pradeep Pursnani.

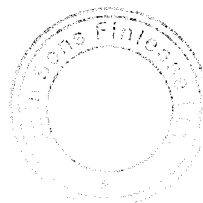
Mr. Rakesh Rewari is the Chairman of Audit Committee of the company. Mr. Chirag Desai, Company Secretary of the company, acts as Secretary of the Audit Committee.

The Audit Committee of the company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the company's internal control and financial reporting process.

12. Vigil Mechanism Policy:

The company has a Vigil Mechanism Policy to deal with instance of fraud and mismanagement, if any. The mechanism shall also provide for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The company shall also provide direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the company and we affirm that during the financial year 2015-16, no employee or director was denied access to the Audit Committee.

13. Directors Responsibility Statement:



Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) of the Companies Act, 2013 states that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

14. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and the Secretarial Auditor in their reports:

There was no qualifications made by the either by the Statutory Auditors or by Secretarial Auditor in their respective reports. However, following are the observations from the Secretarial Auditor and Statutory Auditor:

Sl. No.	Auditor's Observation	Management Response
1	Non-filing (Form INC-22) / delayed filing of forms with Registrar of Companies (RoC)	As per Andhra Pradesh Reorganization Act, 2014 ('Act'), our new registered office is falling under the jurisdiction of Telangana state. After the enactment of said Act, the Company Identification Number (CIN) of all companies (those who were falling under Telangana State) were changed from 'AP' to 'TG' (i.e. from 'Andhra Pradesh' to 'Telangana') by the Ministry of Corporate Affairs (MCA). However, due to pending approval of compounding applications from Registrar of Companies (ROC), which were filed by the company for compounding the contravention of the provisions of section 295 &

		<p>297 of the Companies Act, 1956 w.r.t. related party transactions entered by the Company during the FY13-14, the CIN of the company has not yet been changed from 'AP' to 'TG' in the MCA records.</p> <p>As a consequence of above, the pre-fill function of Form No. INC-22 (Notice of situation or change of situation of registered office) is not allowing us to select state as Telangana since our CIN has the words 'AP' and not 'TG'. Hence, we have not been able to file the said Form No. INC-22 with ROC.</p> <p>However, we are in process of resolving the said issues with ROC. Upon the clearance of the said issue, we shall file Form No. INC-22 with ROC.</p>																				
2.	<p>Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays 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 become payable.</p>	<p>There were significant delays in deposit of TDS on interest, salary, professional services, rent and contract due to recon issues in May 2015. There were delay in submission of professional tax, TDS on salary of October and November due to delay in payment is in respect of short deduction paid later.</p>																				
3.	<p>The Company has delayed in repayment of loans/borrowings to the following banks and financial institutions:</p> <table border="1"> <thead> <tr> <th>Name of the Financial Institution</th> <th>Amount (in Rs.)</th> <th>Due date</th> <th>Delay in days</th> <th>Management Response</th> </tr> </thead> <tbody> <tr> <td>MAS Financial Services Limited</td> <td>5,621,462</td> <td>10-Apr-15</td> <td>5</td> <td>TDS Reconciliation issue. Once reconciled, the entire amount was paid. This was based on consultation with MAS team</td> </tr> <tr> <td>MAS Financial Services Limited</td> <td>5,289,755</td> <td>9-May-15</td> <td>3</td> <td>9th and 10th May 2015 were non-working Saturday and Sunday respectively. Monday, website was down. Technical fault</td> </tr> <tr> <td>RBL Bank Limited</td> <td>957,839</td> <td>31-May-15</td> <td>1</td> <td>31st May was Sunday, debit took place on Monday.</td> </tr> </tbody> </table>		Name of the Financial Institution	Amount (in Rs.)	Due date	Delay in days	Management Response	MAS Financial Services Limited	5,621,462	10-Apr-15	5	TDS Reconciliation issue. Once reconciled, the entire amount was paid. This was based on consultation with MAS team	MAS Financial Services Limited	5,289,755	9-May-15	3	9th and 10th May 2015 were non-working Saturday and Sunday respectively. Monday, website was down. Technical fault	RBL Bank Limited	957,839	31-May-15	1	31st May was Sunday, debit took place on Monday.
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15. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the Report:

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate on the date of this report.

16. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

There was no significant or material order was passed by any regulator or court or tribunal, which impacts the going concern status of the company or will have bearing on company's operations in future.

17. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information as required under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conversation of energy, technology absorption are not applicable as the company is not carrying on any manufacturing activity during the year.

The particulars regarding foreign exchange earnings and outgo during the year under review are as under:

Particulars	(In Indian Rupees)	
	2015-16	2014-15
Total Expenditure in Foreign Currency	5,08,712.00	6,58,153.00
Total Earnings in Foreign Currency	Nil	4,25,23,294.00

18. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013:

The details of loans, guarantee or investment under Section 186 of the Companies Act, 2013 is given under Notes to Accounts of financial statements.

19. Particulars of Contracts or Arrangements made with related parties under section 188 of the Companies Act, 2013:

The particulars of contracts or arrangements made with related parties pursuant to section 188, in Form AOC-2 as prescribed under Companies (Accounts) Rules, 2014 relating to Accounts of Companies under the Companies Act, 2013 as on 31-Mar-2016, is annexed as **Annexure - D** with this report.

The policy on Related Party Transactions as approved by the Board of Directors of the company has been uploaded on the website of the company. The web link of the same is as under <http://intellegrow.com/images/download/loan/Related%20Party%20Transaction%20Policy.pdf>

20. Extract of Annual Return:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as **Annexure - E** with this report.

21. Subsidiaries, Joint Ventures and Associate Companies:



The company does not have any Subsidiary, Joint venture or Associate company.

22. Corporate Social Responsibility:

During the year under review, the company has formed Corporate Social Responsibility Committee (CSR) and it consist of 4 Directors i.e. Mr. Vineet Chandra Rai, Ms. Bhama Krishnamurthy, Mr. Pradeep Pursnani and Ms. Anuradha Ramachandran. Since the company had closed its books of accounts for the financial year ending as on 31-Mar-2016 with the net profit of less than Rs.5cr, the company was not required to spend for CSR activities.

23. Public Deposits:

Your company is a non-deposit taking company (NBFC-ND-SI). During the year under review, the company has not accepted any deposits within the meaning of section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. The company has passed a resolution for non-acceptance of deposits from public.

24. Statutory Auditors:

M/s. Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No. 001076N), the Statutory Auditors of your company holds office until the conclusion of this ensuing Annual General Meeting and are eligible for re-appointment for another term of 5 consecutive years. The company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if-reappointed, their re-appointed would be within the limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Statutory Auditors.

Your Directors recommends the re-appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as Statutory Auditors of the company to hold the office from the conclusion of the ensuing Annual General Meeting upto the conclusion of Twenty Second Annual General Meeting of the company and to audit financial statements for the FY 2016-17 to FY 2020-21.

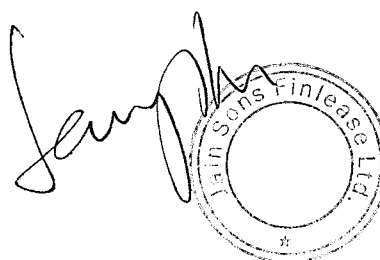
25. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. M Baldeva Associates, a firm of Company Secretaries in practice, Mumbai to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed and forming part of this report as an Annexure – F.

26. Internal Control Systems:

The company has an internal control systems which is commensurate with the size, scale and complexity of its operations. The Internal Auditor monitor the efficiency of the internal control systems in the company, compliance with operating systems/accounting procedures and policies of the company. Significant audit observations and corrective actions thereon are presented to Audit Committee of the Board.

27. Internal Audit:



The image shows a handwritten signature in black ink over a circular stamp. The stamp contains the text 'M. Baldeva Associates, Mumbai' around the perimeter and a star symbol at the bottom center.



A small handwritten signature or mark in the bottom left corner of the page.

The company has appointed M/s. Anuj S. Sharma & Company, Chartered Accountants, Mumbai, as its Internal Auditor. The Internal Auditor monitors and evaluates internal audit function, corrective action in their respective areas and thereby strengthen the controls and reports the same on quarterly and half yearly basis to the Audit Committee of the Board.

28. Management Discussion and Analysis Report:

The detailed report on Management Discussion and Analysis is hereby annexed as **Annexure – G** with this report.

29. Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:

The company has constituted an Internal Compliant Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint was filed before the said Committee.

30. Risks and Areas of Concern:

The company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

31. Credit Rating:

The Rating agencies have assigned ratings for various facilities availed by the company, details of which are as given below:

Facility	Ratings	Amount (Rs. In crore)
Non-Convertible Debenture issue	CARE BBB- (Triple B Minus)	75
Long-term Bank Facilities	CARE BBB- (Triple B Minus)	15

32. Capital Adequacy:

Your company is well capitalized and has capital adequacy ratio of 29.38% as at 31st March, 2016 as against the minimum regulatory requirement of 15.00 % for non-deposit accepting NBFCs.

33. RBI Guidelines:

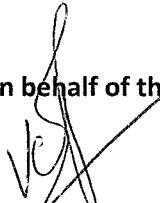
The Certificate of Registration was issued to the company in January, 1999 vide registration no. 14.0145B by Reserve Bank of India (RBI), New Delhi. Later on, the company had shifter its registered office from Hissar to Hyderabad in the year 2013 and revised Certificate of Registration was issued to the company in 2014 vide registration no. B-09.00441 by RBI, Hyderabad, to commence the business

of a non-banking financial institution without accepting deposits. Your company has complied with and continues to comply with all applicable regulations and directions of the RBI.

34. Acknowledgements:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your company.


For and on behalf of the Board of Directors



Vineet Chandra Rai
Chairman
(DIN: 00606290)



Sanjib Kumar Jha
Director & CEO
(DIN: 03402908)



Place: Hyderabad
Date: 26-May-2016

Disclosure on Managerial Remuneration and other details

The Information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive Directors	Ratio to median remuneration
Mr. Vineet Chandra Rai	-
Mr. Rakesh Rewari	-
Ms. Bhama Krishnamurthy (from 27-May-2015)	-
Mr. Satyam Darmora (upto 02-Dec-2015)	-
Ms. Anuradha Ramachandran	-
Mr. Pradeep Pursnani	-
Mr. Anurag Agrawal	-

Executive Directors	Ratio to median remuneration
Mr. Sanjib Kumar Jha	8.58

- b. The percentage increase in remuneration of each directors, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Vineet Chandra Rai	-
Mr. Rakesh Rewari	-
Ms. Bhama Krishnamurthy (from 27-May-2015)	-
Mr. Satyam Darmora (upto 02-Dec-2015)	-
Ms. Anuradha Ramachandran	-
Mr. Pradeep Pursnani	-
Mr. Anurag Agrawal	-
Mr. Sanjib Kumar Jha, Director & CEO	51.75
Mr. Nitin Agrawal, Chief Financial Officer	24.70
Mr. Chirag Desai, Company Secretary	37.50

- c. The percentage increase in the median remuneration of employees in the financial year: 24.70%
- d. The number of permanent employees on the rolls of company as on 31-Mar-2016: 31 (Thirty One).
- e. The explanation on the relationship between average increase in remuneration and company performance:

The increase in remuneration is in line with the market trends in the country. In order to ensure that remuneration reflects company performance, the performance pay is also linked to organisation performance, apart from an individual's performance.

f. Comparison of the remuneration of the key managerial personnel (KMP) against performance of the company:

Aggregate remuneration of KMP in FY16 (Rs. in lakhs)	137.52
Revenue (Rs. in lakhs)	3,135.53
Remuneration of KMPs (as % of revenue)	4.39
Profit before Tax (PBT) (Rs. in lakhs)	100.93
Remuneration of KMP (as % of PBT)	136.25

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Not Applicable, as the equity shares of the company are not listed on any stock exchange. Only Non Convertible Debentures (NCD) of the company are listed on the Bombay Stock Exchange.

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Not Applicable.

i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out is there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is -21.9%.

Average percentile increase in the managerial remuneration is 45.50%.

Justification:

- Hiring of low cost staff to supplement growth in FY16 has brought the median down
- To keep in line with business and growth, there is increase in percentile.

j. Comparison of each remuneration of the KMP against the performance of the Company:

	Mr. Sanjib Kumar Jha, Director & Chief Executive Officer	Mr. Nitin Agrawal, Chief Financial Officer (w.e.f. 26-Mar-2015)	Mr. Chirag Desai, Company Secretary (w.e.f. 28-Apr-2014)
Remuneration in FY16 (Rs. in lakhs)	55.44	75.34	11.05
Revenue (Rs. in lakhs)	3135.45		
Remuneration as % of revenue	1.77	2.40	0.35
Profit before Tax (PBT) (Rs. in lakhs)	140.58		
Remuneration (as % of PBT)	39.44	53.59	7.86

k. **The key parameters for any variable component of remuneration availed by the directors:**

Not Applicable

l. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None

m. **Affirmation that the remuneration is as per the remuneration policy of the company:**

The Company affirms remuneration is as per the remuneration policy of the company.

n. **The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Not Applicable



The image shows a handwritten signature in cursive script, followed by a circular stamp. The stamp contains the text "Sri Lanka Finance Ltd" around the perimeter and a central emblem.

JAIN SONS FINLEASE LIMITED

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

Composition of Committee:

1. The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors.
2. The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

Objective:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Guidelines of Reserve Bank of India. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, KMP and Senior Management.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees.
- 1.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.



- 1.6. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To develop a succession plan for the Board and to regularly review the plan.
- 1.9. To assist the Board in fulfilling responsibilities.
- 1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

Applicability:

- a) Directors (Executive and Non-Executive)
- b) KMP
- c) Senior Management Personnel

Definitions:

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

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

"Senior Management" means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.



Policy for Appointment and Removal of Director, KMP and Senior Management:

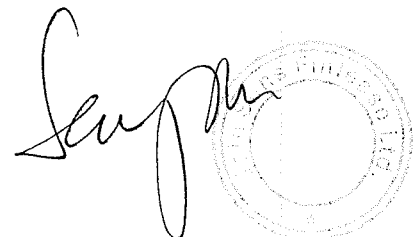
1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) The Committee shall undertake a process of due diligence to determine the suitability of the person for appointment/continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.
- c) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e) The Company shall appoint Independent/Non-Executive Directors nominated to the Board should be between 35 to 70 years of age.
- f) The Company shall obtain necessary information and declaration from the proposed/existing directors as per the format provided under the Companies Act, 2013 and Guidelines issued by Reserve Bank of India from time to time.
- g) The Company shall obtained annually as on 31st March a simple declaration from the Directors the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.
- h) The Company shall ensure in public interest that the nominated/elected directors execute the deeds of covenants in the Format provided under the Guidelines issued by Reserve Bank of India from time to time.

2. Term / Tenure

a) Managing Director/Whole-time Director:

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



b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

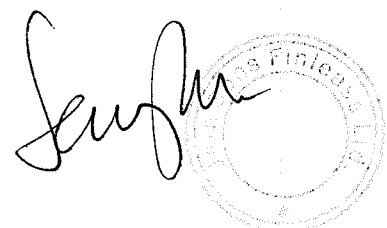
5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration to Directors/KMP/Senior Management Personnel:-

1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.



2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Duties in Relation to Nomination Matters:

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board;
- Scrutinize the declarations received from directors and based on the information provided in the signed declaration, the Committee shall decide on the acceptance or otherwise of the Directors, where considered necessary;
- Considering any other matters, as may be requested by the Board.

Duties In Relation To Remuneration Matters:

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

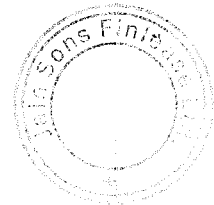
The Cons Finance Ltd.

- Approving the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

Review and Amendment:

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.





Scope of Committees:

Given below are the various committees proposed of the Board of the Company. This document details the scope of the various committees. The purpose of the committees is to have more focused oversight on the respective areas for better corporate governance. The following 7 (seven) committees and their scope are in line with the Companies act, 2013, RBI Guidelines and Industry best practices:

The scope or any of the authorizations here, if repugnant with the constitutional documents of the company, or any changed regulatory norms, shall be over-ruled by the constitution documents and changed regulatory norm, as applicable from time to time.

1) AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD

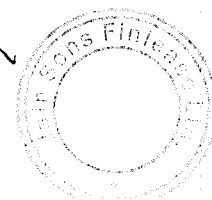
Internal

- a. To oversee the internal audit, compliance and financial reporting process and ensuring correct, adequate and credible disclosure of financial information, at stipulated frequency (monthly, quarterly, annually) as per extant regulatory & statutory guidelines.
- b. To examine the efficacy of audit functions and systems and suggesting steps on a periodic basis (quarterly, half yearly) for its improvement.
- c. To report, on a quarterly basis, the key audit findings for the quarter, as well as the actions taken report on the same for previous quarters to the Board of the Company.
- d. To do valuation of undertakings or assets of the company, wherever it is necessary;
- e. To evaluate internal financial controls
- f. To monitor the end use of funds raised through public offers and related matters
- g. To review and recommend accounting policies and treatment – including decisions regarding write-offs.
- h. To get Information Systems Audit conducted and track implementation of accepted recommendations/ corrective action.

External

- a. To facilitate in smooth conduct of audits by external agencies, Statutory Auditors, Reserve Bank of India (RBI), lenders and any other external auditors as appointed by the Company or any other stakeholder (lenders, shareholders, regulators, government etc.)
- b. To review with management, verifying and recommending adoption of quarterly, half yearly and annual accounts to Board of the company with special emphasis on accounting policies and practices, provisioning norms adopted by the company and any amendments adopted during the year, adherence to capital adequacy norms, compliance with accounting standard and other requirements concerning financial statements that may arise.
- c. To report, on a quarterly basis, the key findings of the quarter, as well as the action taken report on the same for previous quarters, to the Board of Directors.
- d. To establish procedures for receipt and treatment of complaints regarding accounting and auditing matters and engage independent counsel, if required, for such conflict resolution and to update the Board of the Company on the status of the same, every quarter;





Compliance

- a. To prepare a calendar detailing the list of compliances/ covenants that needs to be monitored and the frequency of its reporting to the Board of the Company as well as the regulatory agencies and the stakeholders.
- b. To review statement of significant related party transactions and examination of the reasons for substantial defaults, if any, in payment to stakeholders.
- c. To review compliance within stipulated statutory and regulatory requirements particularly in relation to financial management and reporting.
- d. To review compliance of various inspections and audit reports of internal, concurrent and statutory auditors and commenting on the action taken report prepared by the management and ensuring submission to the Board of the Company from time to time – classified under heads for major/ material and minor and also set timelines if the compliance is still to be met.
- e. To review the consolidated compliance report and the final accounting system for the financial year before it is submitted to the Board of the Company for adoption.
- f. To internalize guidelines issued by the regulator specifically for the NBFCs or any other guidelines as may be relevant to the Company and monitor adherence to the same.

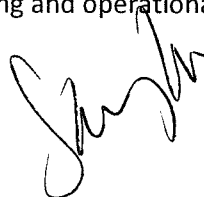
Administrative

- a. To recommend appointment and removal of external auditors on company's request, or as mandated by the regulators, lenders or other stakeholders.
- b. To review and recommend a scope of audit on the basis of requirements and reviewing the policies, procedures, techniques and findings of such audits.
- c. To oversee that contracted fees are paid to the various audit firms, at stipulated frequency on receipt of their reports.
- d. To establish procedures for receipt and treatment of complaints regarding accounting and auditing matters and engage independent counsel, if required, for such conflict resolution. Updating the Board of the Company on the status of the same, every quarter.

2) NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD:

Nomination

- a. To guide and assist the Board and work out a policy and implement it besides monitoring progress in relation to appointment and removal of Directors, Key Managerial Personnel (KMP), Senior Management and Credit Committee members.
 - i. To recommend to the Board appointment of directors. To develop a succession plan for the Board and to regularly review the plan
 - ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - iii. To formulate the criteria for determining qualifications, positive attributes and independence of a director in line with the prevailing regulatory guidelines.
 - iv. To recommend appointments of senior management to the Board of the company.
- b. To review and advise the management on the organization structure, including creating a two tire organization structure for smooth succession planning and operational backups.



- c. To objectively examine the annual manpower plan in relation to the business plan of the company and to examine management recommendations regarding manpower strategy and suggest corrective action, if required.

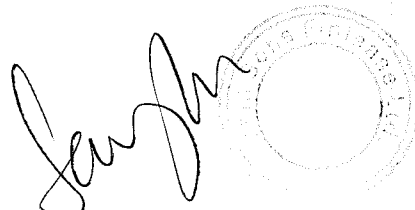
Remuneration

- a. To recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees and Credit Committee members.
- b. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management and Credit Committee members.
- c. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- d. To evaluate and approve the compensation packages of above mentioned persons with particular reference to fixed and variable pay (including bonuses and Employees Stock Options).
- e. To guide the management in developing a balanced remuneration policy with no biases and focus and enhancing performance drivers and motivation levels of the employees with a view to attract, retain, promote and groom/ train employees. This shall also include considering grant of stock options to employees, reviewing compensation levels of the employees vis- a- vis other NBFCs and industry in general and create competitive advantage.

3) RISK COMMITTEE OF THE BOARD:

Risk Control

- a. To review company's risk management policies in relation to various risks (credit, market, liquidity, operational and reputation risk)
- b. To review the risk return profile of the Company, Capital adequacy based on risk profile of the company's balance sheet, business continuity plan and disaster recovery plan, key risk indicators and significant risk exposures and implementations of enterprise risk management.
- c. To hold such risk reviews to ensure adequate monitoring as may be felt necessary by the internal as well as external stakeholders and to appraise the Board of the Company on a periodic basis. This shall cover:
 - i. To review performance of credit risk in the business and portfolio using risk assessment tools
 - ii. To review and approve the risk rating tool, performance of portfolio on the tool and review the tool's efficacy periodically
 - iii. To review stress in portfolio, and recommend corrective measures and policy level changes based on portfolio performance
 - iv. To review performance against the exposure norms and make recommendations to the board based on outlook of business
- d. To give oversight to the Credit Committee (CC) and review and take note of minutes of CC meetings. Risk Committee at its discretion may call one or any of the CC members when they feel it is desired for any specific discussions.
- e. Review portfolio against the exposure norms and credit delegation and give approvals based on authority delegated by the Board. When the portfolio deviates from the credit quality metric as



per the business plan (loan loss provisioning and write-off as per the approved budget), then the CC will have discretion to limit approvals to some of the areas showing stresses.

Fraud Control and Monitoring

- a. To monitor and review all frauds that may have occurred in the company and involves an amount of Rs. 0.1 million and above or as decided from time to time.
- b. To report such frauds and other flag-offs to stakeholders along with the extent of losses. This would include reviewing and recommending a calendar of reporting frauds and the remedial measures taken, to the Board of the Company.
- c. To conduct a root cause analysis and identify the systemic lacunae, if any, that may have facilitated perpetration of the fraud and put in place measures to rectify the same. Also, to ascertain reasons for delay in detection of such frauds, if any.
- d. To ensure the staff accountability is examined at all levels in all the cases of frauds and actions, if required, is completed quickly without loss of time.
- e. To review of efficacy of remedial actions taken to prevent recurrence of frauds, such as strengthening internal controls and putting in place other measures as may be considered relevant to strengthen preventive measure.

Vigil Mechanism

- a. To recommend Vigil Mechanism to the board and monitor its progress and implementation and efficacy and recommend changes to the same from time to time.
- b. To ensure that the Vigilance Mechanism is adequate for the directors and employees to report their genuine concerns. Such Vigil Mechanism should provide adequate safeguards against victimization of persons who use such mechanism and they should have a direct access to the Chairman of the Audit Committee in appropriate cases.

4) ASSET LIABILITY MANAGEMENT COMMITTEE OF THE BOARD:

- a. To put in place an effective liquidity management policy, including, inter alia, the funding strategies, liquidity planning under alternative crisis scenarios, prudential limits and review the same periodically.
- b. To articulate the interest rate view of the company and decide the pricing methodology for advances in line with extant regulatory guidelines.
- c. To oversee the implementation of the Asset Liability Management (ALM) system and review the functioning periodically and to ensure that the decisions taken on financial strategy are in line with the objectives of the committee.
- d. To review the management of balance sheet of the Company within the risk parameters laid down by the Board of Directors or a committee thereof, with a view to manage the current income as well as to take steps for enhancing the same.
- e. To review the capital & profit planning and growth projections of the company in line with the business plan and ensure that the same is reported to the Board of the Company.
- f. To consider and recommend any other matter related to liquidity and market risk management including matters that might be required by the lenders or any other regulatory body to ensure that the same is recommended to the Board of Directors of the Company for suitable action.



5) PRODUCT, PROCESS, CREDIT POLICY & GRIEVANCE REDRESSAL COMMITTEE OF THE BOARD:

Product and Process

- a. To review from time to time the suite of products run by the company covering its fulfillment process within the regulatory compliance norms, customer service quality, viability and profitability within the objectives of the company
- b. To approve new products (including pilots and full scale rollouts) and rolling out of business in new geographies in which products (new as well as existing) can be rolled out.
- c. To set up standard operating processes with regard to the products and ensure that these are being reviewed and strengthened by the management
- d. To monitor adherence to the process compliances by internal as well as third-party evaluations.

Credit Policy

- a. To review and recommend credit policy framework in line with the stipulated guidelines of the Board and other extant regulatory and statutory guidelines for conduct of business.
- b. To recommend setting up of delegation of functional powers for staff to the Board of the Company for suitable action.
- c. To consider and approve any other matter related to the credit policy including matters that might be required by the Board or any other regulatory body.

Customer Service and Grievance Redressal

- a. To review the customer service initiatives, overseeing the functioning of the customer service council and evolving innovative measures for enhancing the quality of customer service and improvement in the overall satisfaction level of customers.
- b. To review and recommend a customer grievance redressal policy in line with extant regulatory and statutory guidelines which shall include, among other things, the contact details of the employees responsible, the turn-around-time stipulated for addressing the grievances, the escalation mechanism etc and to ensure that this policy is available for reference all branches of the company.
- c. To set up a grievance redressal mechanism to address the complaints of the customers and report a synopsis of such complaints received to the Board of the company on a quarterly basis.

6) CORPORATE GOVERNANCE AND EXECUTIVE COMMITTEE OF THE BOARD:

The Executive Committee serves as an administrative committee of the Board to facilitate approval of certain operational corporate actions that do not require consideration by the full Board. In normal course of business, Executive Committee is delegated with following authorisations -

- a. To make applications for obtaining licenses, registrations, connections, clearances, services etc. and to authorize/appoint company directors/employees/officers for signing applications, returns, forms, bonds, agreements, documents, papers etc. and for representing Company before the authorities under various Laws including but not limited to Corporate Laws, Industrial Laws, Tax Laws, Labour Laws and other business laws applicable to the Company in respect of all



present and future offices of the Company for compliance of all provisions, rules, clauses, regulations, directives and other related matters under the said Laws, which may be applicable to the Company.

- b. To open/close account with any bank and to authorize and reauthorize any employee of the Company to operate the account.
- c. To authorize company person(s) for execution of documents, including loan documents and affixing common seal of the company thereon, if required.
- d. To invest funds of the company in the Fixed Deposits to the extent necessary to avail credit facilities/ loans from the Banks/ Financial Institutions etc. and to invest surplus/ idle funds in liquid funds (i.e. mutual funds etc.) for short term as per the Board approved investment policy of the company.
- e. To incur capital expenditure outside the annual business plan up to a limit of Rs.10 lakhs between two board meetings.
- f. To apply for telephone connection or to disconnect.

Delegation of borrowing powers


- g. To apply for loan and hypothecate book debts of the Company at such terms and conditions as may be decided by the committee from time to time within the borrowing powers delegated by Shareholders to the board and board to the Executive Committee (documented below).
- h. To apply for portfolio sell-down or securitization within the limits approved by the board and the shareholders at such terms and conditions as may be decided by the committee from time to time, subject to reporting to the board in the next board meeting.
- i. To review and recommend, seek and operate borrowing and investment limits delegated from the board. (subject to delegation by Shareholders to the Board in the latest AGM/ EGM)
 - i. To borrow the moneys subject to a maximum of Rs. 30 Crore per facility/ loan.
 - ii. To sell or securitise portfolio of the Company upto a limit of Rs. 20 crore per sanction.
 - iii. To purchase book debts or securitized paper of other Companies/ SPVs upto a limit of 10% of networth of company per transaction aggregating to not more than 25% of networth as on date of reckoning.
 - iv. To issue Non-Convertible Debentures (NCD) upto a limit of Rs. 50 crore per sanction.The terms of all such transactions – including the term loans, securitization, asset sale, or NCD issuance should be within limits approved by the board.
- j. Summary of each of such sale, securitization, purchase, subscription of securitized paper should be placed before the board in next ensuing board meeting.

Emergency response

The Executive Committee exercise powers of the Board in the event that an emergency or other time sensitive matter arises and in it not practicable to assemble the entire Board.

Corporate Governance

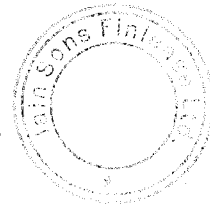
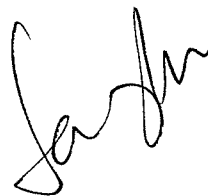
- a. To Implement and monitor policies and processes regarding principles of corporate governance.
- b. To review the status of company on various corporate governance related norms, guidelines and industry best practices and recommend action to the Board and to the Management to improve the practices.



7) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD:

- a. To establishment and review of Corporate Social Responsibility (CSR) policies and programs and compliances wrt to the Companies Act on CSR matters
- b. To review and evaluate the adequacy of its charter and recommend to the Board any proposed changes.
- c. To review annual budgets with respect to CSR and review its utilization. The Board shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR guidelines under the companies Act and any changes there-under.
- d. To ensure that the CSR program includes significant sustainable development, community relations and security policies and procedures
- e. To have an oversight on implementation of CSR policies and programs
- f. To review the findings and recommendations from any investigation or audit by regulatory agencies or external auditors or consultants concerning the Company's CSR matters; and
- g. To review the Company's disclosure of corporate social responsibility matters in the Company's continuous disclosure documents and any annual social responsibility report.
- h. To have the power to obtain advice and assistance from outside legal or other advisors in its sole discretion.
- i. To annually evaluate its performance and report the results of such evaluation to the Board.

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FORM AOC - 2

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

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

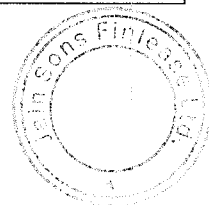
1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts / arrangements / transactions	NIL
(c) Duration of the contracts / arrangements / transactions	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e) Justification for entering into such contract / arrangement or transaction	NIL
(f) Date(s) of approval of the Board	NIL
(g) Amount paid in advance, if any	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

2.i. Details of contracts or arrangements or transactions at arm's length basis: The following two contracts or arrangements or transactions are at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Intellectap Advisory Services Private Limited Mr. Vineet Rai being relative of Mrs. Swati Rai, who is shareholder and Mr. Anurag Agrawal is common director in Intellectap Advisory Services Private Limited
(b) Nature of contracts / arrangements / transactions	Capital Advisory Contract
(c) Duration of the contracts / arrangements / transactions	The duration of contract shall be for the period of one year commencing from 27-May-2015 to 26-May-2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Scope of Services: Intellectap Advisory offering for Client would consist of two phases: Phase I – Preparation of Investor Kit: i. Refining of the existing business plan/financial model and preparatory work required to present Client to prospective investors; ii. Compilation of Information Kit for investors that might include all or some of the them are as: Information Memorandum, Introductory Flyer, Financial Model and any

	<p>other supporting documents and or presentations as required for raising funds for Client.</p> <p>Phase II – Capital Advisory Services:</p> <ul style="list-style-type: none"> i. Identification of suitable investors, creating a long list of investors and short list of investors; ii. Managing communication with all the investors that would include the Investment Pitch, Deal structuring and Negotiation support to the company; iii. Assistance in due diligence by potential investors; iv. Advice and execution of appropriate deal structuring as per the needs and expectations of the company and accounting for investor feedback; v. Assistance in drafting the term sheet and subscription agreement. <p>Remuneration and Payment Modalities:</p> <p>Success Fee: Intellectap shall charge success fee as follows:</p> <ul style="list-style-type: none"> i. Book value multiple less than or equal to 3.0x - The Success Fee shall be 1.5% of the Equity Investment Amount committed by the Investor towards primary issue of shares by existing shareholders if any, (exclusive of Service Tax); ii. Book value multiple more than 3.0x - the Success Fee shall be 2.0% of the Equity Investment Amount committed by the Investor towards primary issue of shares by existing shareholders if any (exclusive of Service Tax); iii. Book Value here is defined as the book value calculated based on the audited financials of March 31, 2015; iv. The Equity Investment Amount here is defined as the sum of the total primary issue by new investors and existing shareholders either upfront or as per a deferred payout schedule agreed on between the Investor and Client;
(e) Date(s) of approval of the Board	27-May-2015
(f) Amount paid in advance, if any	Nil
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	27-May-2015



2.ii.

(a) Name(s) of the related party and nature of relationship	Intellecap Advisory Services Private Limited Mr. Vineet Rai being relative of Mrs. Swati Rai, who is shareholder and Mr. Anurag Agrawal is common director in Intellecap Advisory Services Private Limited
(b) Nature of contracts / arrangements / transactions	Secondary Sale Contract
(c) Duration of the contracts / arrangements / transactions	The duration of contract shall be for the period of one year commencing from 18-Sep-2015 to 17-Sep-2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	<p><u>Objectives to be met through this Consultancy Agreement:</u> The company will provide following services to IntelleGrow:</p> <ol style="list-style-type: none"> a. To identify the investors, pitching to the investor the idea of secondary purchase and to negotiate on transaction value for secondary sale of securities in IntelleGrow; b. To manage the information flow/coordination with the New Investors or other investors for the secondary sale of securities; c. To negotiate the final terms and price (if required) for the Transaction; d. To facilitate the documentation/other related matters towards closure of the Transaction and completion of regulatory requirements, if any. <p><u>Compensation:</u> The Company shall pay to Intellecap professional fees of 1.0% of the Transaction Value (Transaction Value is sum total of the consideration paid to the Selling Shareholder by the New Investors to other investors for buying securities held by the Selling Shareholder in IntelleGrow.)</p>
(e) Date(s) of approval of the Board	18-Sep-2015
(f) Amount paid in advance, if any	Nil
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	18-Sep-2015

Form No. MGT-9

Extract of Annual Return as on financial year ended as on 31-Mar-2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

Sl. No.	Particulars	
1	CIN	U65910AP1998PLC088941
2	Registration Date	05-Feb-1998
3	Name of the company	Jain Sons Finlease Limited
4	Address of the Registered office and contact details	1002, 10 th Floor, A Block, The Platina, Gachibowli, Hyderabad – 500032, Telangana. Tel: 040 40300200; Fax: 040 40300275 Email id: chirag.desai@intellegrow.com Website: www.intellegrow.com
5	Address of the Corporate office and contact details	13C, 6 th Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra. Tel: 022 61952700; Fax: 022 61952702 Email id: chirag.desai@intellegrow.com Website: www.intellegrow.com
6	Whether listed Company	Yes (Non-Convertible Debentures are Listed with BSE)
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Private Limited 13AB Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400072.

II. Principal Business Activities of the company:

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	Financial Services	804.9	100%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary /Associate	% of Equity shares held	Applicable section
1	Intellectual Capital Advisory Services Private Limited	U74999TG2002PTC075765	Holding	54.70	2(87)(ii)

IV. Share holding pattern (Equity Share Capital Breakup as % of Total Equity)

(I) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoter									
(1) Indian									
(a) Individual /HUF	0	100,000	100,000	0.92	0	100,000	100,000	0.91	0.00
(b) Central Govt.	0	0	0	-	0	0	0	-	-
(c) State Govts.	0	0	0	-	0	0	0	-	-
(d) Bodies Corp.	0	5,999,995	5,999,995	55.46	0	5,999,995	5,999,995	54.70	0.00
(e) Banks / FI	0	-	-	-	0	-	-	-	-
(f) Others	0	-	-	-	0	-	-	-	-
Sub-total (A)(1)	0	6,099,995	6,099,995	56.38	0	6,099,995	6,099,995	55.61	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	-	0	0	0	-	-
(b) Other - Individuals	0	0	0	-	0	0	0	-	-
(c) Bodies Corp.	0	0	0	-	0	0	0	-	-
(d) Banks / FI	0	0	0	-	0	0	0	-	-
(e) Others	0	0	0	-	0	0	0	-	-
Sub-total (A)(2)	0	0	0	-	0	0	0	-	-
Total shareholding of promoters (A)	0	6,099,995	6,099,995	56.38	0	6,099,995	6,099,995	55.61	0.00
B. Public									
(1) Institutions									
(a) Mutual Funds	0	0	0	-	0	0	0	-	-
(b) Banks / FI	0	0	0	-	0	0	0	-	-
(c) Central Govt.	0	0	0	-	0	0	0	-	-
(d) State Govts.	0	0	0	-	0	0	0	-	-
(e) Venture Capital Funds	0	0	0	-	0	0	0	-	-
(f) Insurance Companies	0	0	0	-	0	0	0	-	-
(g) FIs	0	0	0	-	0	0	0	-	-
(h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	-
(i) Others	0	0	0	-	0	0	0	-	-
Sub-total (B)(1)	0	0	0	-	0	0	0	-	-
(2) Non Institutions									
(a) Bodies Corp.	0	0	0	-	0	0	0	-	-
(i) Indian	0	1,000,000	1,000,000	9.24	0	1,000,000	1,000,000	9.12	0.00
(ii) Overseas	0	-	-	-	-	-	-	-	-
(b) Individuals*									
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	0	18,002	18,002	0.17	0	11,501	11,501	0.10	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	1,010,004	1,010,004	9.34	0	1,166,505	1,166,505	10.63	0.00
(c) Others - Foreign Companies	0	2,691,347	2,691,347	24.88	0	2,691,347	2,691,347	24.54	-0.34
Sub-total (B)(2)	0	4,719,353	4,719,353	43.62	0	4,869,353	4,869,353	44.39	0.77
Total Public Shareholding (B)	0	4,719,353	4,719,353	43.62	0	4,869,353	4,869,353	44.39	0.77
C. Shares held by custodian for GDRs & ADRs									
	0	-	-	-	0	-	-	-	-
Grand Total (A+B+C)	0	10,819,348	10,819,348	100.00	0	10,969,348	10,969,348	100.00	0.00

II. Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to total shares	
Intellectual Capital Advisory Services Private Limited	5,999,995	55.47	0	5,999,995	55.47	0	0.00%
Vincent Rai	100,000	0.92	0	100,000	0.92	0	0.00%
Total	6,099,995	56.39	0	6,099,995	56.39	0	0.00%

IV. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	3,884,350	35.90%	4,034,250	36.78%
Datewise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	0.00%	-	0.00%
At the end of the year (or on the date of separation, if separated during the year)	3,884,350	35.90%	4,034,250	36.78%

v. Shareholding of Directors and KMPs

For each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	935,002	8.64%	935,002	8.52%
Datewise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	100,000	-	100,000	0.00%
At the end of the year	1,035,002	9.57%	1,035,002	9.44%

V. INDEBTEDNESS

Indebtedness of the Company including Interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,132,860,327.76	-	-	1,132,860,327.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11,395,400.00	-	-	11,395,400.00
Total (i+ii+iii)	1,144,255,727.76	-	-	1,144,255,727.76
Changes in indebtedness during the financial year				
> Addition	740,000,000.00	-	-	740,000,000.00
> Reduction	573,018,229.29	-	-	573,018,229.29
Net Change	1,311,237,498.47	-	-	1,311,237,498.47
Indebtedness at the end of the financial year				
i) Principal Amount	1,299,842,098.07	-	-	1,299,842,098.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21,387,485.00	-	-	21,387,485.00
Total (i+ii+iii)	1,321,229,583.07	-	-	1,321,229,583.07

VI VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to MD / WTD / Manager

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		1	2	3	4	
		Sanjib Kumar Jha	-	-	-	
	Gross Salary:					
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,612,096	-	-	-	6,612,096
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income					
2	Stock Option	0	-	-	-	-
3	Sweat Equity	0	-	-	-	-
4	Commission					
	- as % of profits	0	-	-	-	-
	- others, specify	0	-	-	-	-
5	Others, specify					
	Total	6,612,096	-	-	-	6,612,096
	Ceiling as per the Act	8,400,000	-	-	-	8,400,000

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of director				Total Amount
		1	2	3	4	
1	Independent Directors	Rakesh Rewari	Bhama Krishnamurthy			
	Fees for attending board / committee meetings	325,000	320,000	0	0	645,000
	Commission	0	0	0	0	-
	Travelling expenses	0	0	0	0	-
	Total (1)	325,000	320,000	0	0	645,000
2	Other Non-Executive Directors	Vineet Chandra Rai	Anurag Agrawal			
	Fees for attending board / committee meetings	205,000	305,000	0	0	510,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	205,000	305,000	0	0	510,000
	Total (1+2)	530,000	625,000	0	0	1,155,000
	Total Managerial Remuneration	530,000	625,000	0	0	1,155,000
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to KMPs other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	KMP			Total Amount
		CEO	CFO	CS	
		Sanjib Kumar Jha	Nitin Agrawal	Chirag Desai	
	Gross Salary:				
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,612,096	5,719,353	1,421,000	13,752,449
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profits	-	-	-	-
	- others, specify	-	-	-	-
5	Others, specify	-	-	-	-
	Total	6,612,096	5,719,353	1,421,000	13,752,449

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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





Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,
2014]*

To,
The Members,
Jain Sons Finlease Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Jain Sons Finlease Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (not applicable to the Company during the Audit period);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit period);





- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act'):
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (not applicable to the Company during the Audit period);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (not applicable to the Company during the Audit period);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the Audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client,
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period), and;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit period);
- vi. Other laws, including the law relating to Non-Banking Financial Companies to the extent applicable to the Company as per representation made by the Company.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India (w.e.f.1st July, 2015).
- (ii) The Listing Agreement for Debt Securities entered into by the Company with BSE Limited.
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f.1st December, 2015).

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

- (a) non filing (eForm INC-22) / delayed filing of eforms with RoC; and
- (b) non- filing of certificate with the stock exchange under Regulation 57(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding timely payment of interest on debentures.





I further report that

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

Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals.

For **M Baldeva Associates**
Company Secretaries



Manish

CS Manish Baldeva
Proprietor

M. No.6180, CP No.11062

Place:Thane
Date: 25th May, 2016

This report is to be read with my letter of even date which is annexed as Annexure-I and forms an integral part of this report.



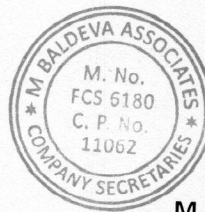
To,
The Members,
Jain Sons Finlease Limited

Annexure -I

My report of even date is to read along with this letter.

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

Place: Thane
Date: 25th May, 2016



For **M Baldeva Associates**
Company Secretaries

Manish

CS Manish Baldeva
Proprietor

M. No.6180, CP No.11062

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a) Industry structure and developments.**

India has had a long history of social entrepreneurship. From the Gandhian era where self-sufficiency was at the core of social entrepreneurship movements to the mid-70s which saw the dawn of biggest public private partnership (PPP) till date of India. Kaira District Cooperative Milk Producers Union, known by its brand name AMUL (Anand Milk Union Ltd.), and Self Employed Women Association (SEWA) are all outcome of countless efforts of leaders like Dr. Verghese Kurien and Elaben Bhatt who were responsible for devising and implementing novel and innovative business models which generated positive environmental and social impact along which economic returns, most part of which was flowing down stream to the primary producers and workers.

The economic reforms in the 1990s paved way for participation of private enterprises in the economy and this led to an entrepreneurial bloom. As a result, the MSME industry saw exponential growth. India has more than 800 million bottom of pyramid (BoP) population, which is the largest in the world, and this population possesses US\$ 358 billion disposable income which presents an unparalleled opportunity for the MSME sector. India has over 80 million people employed in over 33 million small and micro enterprises that deliver over 30% of the Country's Industrial output by value. As per Economic Census 2005, GOI -MSME Report 2013, over 36 million micro and small enterprises have contributed annual gross output of over Rs. 10.70 trillion while employing above 80 million people. India's BoP population faces enormous amount of challenge in terms of livelihood and access to basic needs, and presents the largest opportunity for impact globally. The public expenditure on these social sectors is low and it is unable to meet the vast needs at the BoP. In response to these unmet needs, private sector has emerged with market solutions to the access and affordability issues in the basic services. Capital for these enterprises was the big missing link and this led to emergence of impact funding in India. Intellegrow acts as a financial intermediary for this segment and helps the SGBs in availing debt facility for working capital.

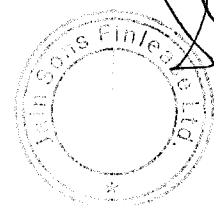
A few pointers:

- 14 years of history of impact funding.
- US\$ 1.6 billion of capital has been funded to 220+ impact enterprises across India.
- MFI sector accounting for 54% of the total funding.
- Maharashtra tops the list in terms of number of impact enterprises with 35% of the total impact enterprises in India are based in Maharashtra

Impact funds in India largely pursue a venture approach to investing. The venture approach is a funding thesis that involves funding at an early stage in "For Profit" enterprises that operate in underserved markets, critical need sectors, and engage with low income consumers.

b) Opportunities

The SGB industry in India involves over Rs. 7 trillion investment in fixed assets. These small and growing businesses (SGBs) usually require working capital and term debt facilities to address business growth needs. Obtaining funds to continue operations is the biggest hurdle that these



SGBs face. The traditional bank and NBFCs lending format is to give collateral backed loans to such enterprises. Also, these have to be established businesses with a profitable track record by entrepreneurs who are well versed in their respective fields. Financial institutions have traditionally limited their exposure to this sector due to the perception that these businesses carry high risk and high cost of delivery, and have limited access to immovable collateral. In this scenario, most of the SGBs become ineligible to borrow from these traditional lenders and thus resort to borrowing from private sources with exorbitant and exploitative interest rates going up to 3-5 percent per month. Alternately, they raise equity thereby diluting their shareholding. They have a low negotiating power on valuation if their requirement of funds is urgent or their track record is still building or the business model is still getting refined. A brief summary of the identified debt gap to such small and medium enterprises in India is shown as under:

"The Missing Middle"

Debt Gap Analysis			
USD Mn	Total Debt Gap	Working Capital (61% of gap)	Term Loan (39% of gap)
Small Enterprises	8,333	5,083	3,250
Medium Enterprises	3,000	1,833	1,167
Total	11,333	6,917	4,417

IntelleGrow's target segment

The following table sums up the existing gap in the lending space to SGBs in India which IntelleGrow is serving through its unique proposition.

Table 1: SME debt financing sector analysis

Current Gap / Market Scoping	Challenges by existing players	Opportunities for venture debt like IntelleGrow
<ul style="list-style-type: none"> • Small and Growing Businesses (SGBs) form a significant part of the Missing Middle • In existence between 1-4 years • Limited operational and financial track record • Limited ability to provide hard collateral 	<ul style="list-style-type: none"> • Lack of collateral • Lack of flexible repayment structures • High processing and approval time • High transaction costs do not allow developing a profitable business model • Lack of financial transparency poses risks that they are not equipped to mitigate 	<ul style="list-style-type: none"> • Viability-based approach to lending • Flexible and customized loan products designed to suit the business model of borrower SGBs • Fast turn-around time as compared to other lenders in the industry. • Lack of collateral and highly profitable track record is not a disqualifier for a loan from IntelleGrow

c) **Risks and concerns**

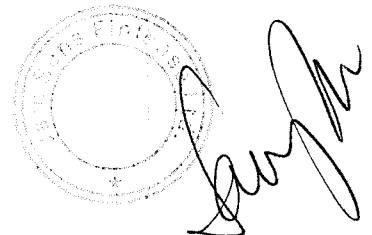
- Execution for building book & stagnation avoidance
- Portfolio Quality, ring fence portfolio from further slippages
- Enhancement in credit rating.
- Need to strengthen monitoring function to really track and report risk triggers
- Templatize and standardize to increase productivity

d) **Discussion on financial performance with respect to operational performance-**

- Interest Income up by 71% (14.4cr in FY15 to 24.5cr in FY16)
- Total revenue up by 50%
- 129% increase in finance cost due to high leverage
- Rs 1.15 cr earned (net) from execution of warrants.
- Debt syndication income of Rs 0.36cr.
- Added 4 new lenders of which drawn down from 1 and have sanctions from 3.
- Lowered cost of borrowings to IRR of 13.86%

e) **Material developments in Human Resources / Industrial Relations front, including number of people employed-**

- Staff strength has doubled from Sept 14 to March 16.
- Vintage of 14 months at an average, 10 months median with standard deviation of 12 months.



Financial Statements and Independent Auditor's Report

Jain Sons Finlease Limited

31 March 2016

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Balance Sheet

Statement of Profit and Loss

Cash Flow Statement

Summary of the significant accounting policies and other explanatory information

Walker Chandiook & Co LLP

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Independent Auditor's 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 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the guidelines issued by the Reserve Bank of India as applicable to a Non-Banking Financial Company. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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



4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;



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- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 May 2016 as per Annexure B expressed an unmodified opinion; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Jallan
per **Praveen Kumar Jallan**

Partner

Membership No.: 218700



Place: Hyderabad

Date : 26 May 2016

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Annexure A to the Independent Auditor's Report of even date to the members of Jain Sons Finlease Limited, on the financial statements for the year ended 31 March 2016

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, and to the best of our knowledge and belief, 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) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of services rendered by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been delays 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 become payable.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.



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Annexure A to the Independent Auditor's Report of even date to the members of Jain Sons Finlease Limited, on the financial statements for the year ended 31 March 2016

- (viii) There are no loans or borrowings payable to government during the year. In our opinion, the Company has not defaulted in repayment of dues to debenture-holders during the year. The Company has delayed in repayment of loans/borrowings to the following banks and financial institutions:

Name of the financial institution	Amount (₹)	Due date	Delay in days
MAS Financial Services Limited	5,621,462	10-Apr-15	5
MAS Financial Services Limited	5,289,755	9-May-15	3
RBL Bank Limited	957,839	31-May-15	1

- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) During the year, the Company has made private placement of equity shares. In respect of the same, in our opinion, the Company has complied with the requirements of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts raised have been used for the purposes for which the funds were raised. During the year, the Company did not make private placement of fully/partly convertible debentures.
- (xv) During the year, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Praveen
per Praveen Kumar Jallan
Partner
Membership No.: 218700



Place: Hyderabad
Date : 26 May 2016

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Jain Sons Finlease Limited, on the financial statements for the year ended 31 March 2016

Independent Auditor's report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Jain Sons Finlease Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Jain Sons Finlease Limited, on the financial statements for the year ended 31 March 2016

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate IFCoFR and such IFCoFR were operating effectively as of 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandiook & Co LLP
For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Jallan
per **Praveen Kumar Jallan**
Partner

Membership No.: 218700

Place: Hyderabad

Date: 26 May 2016



Walker Chandiook & Co LLP

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(Formerly Walker, Chandiook & Co)
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Auditor's Report

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

To
The Board of Directors
Jain Sons Finlease Limited
1002, 10th Floor, Block A
The Platina Building, Gachibowli
Hyderabad – 500032
Telangana, India

1. We have audited the financial statements of Jain Sons Finlease Limited (the "Company"), which comprise the Balance sheet as at 31 March 2016, the Statement of Profit and Loss and the 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 May 2016.
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 it had obtained a certificate of registration from the RBI.
 - b. In our opinion, and in terms of the Company's assets and income pattern as at and for the year ended 31 March 2016, the Company is entitled to continue to hold the certificate of registration issued by the RBI.



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- 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 21 April 2015 has passed a resolution for non-acceptance of any public deposits during the financial year 1 April 2015 to 31 March 2016.
- f. The Company has not accepted any public deposits during the year ended 31 March 2016.
- 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 Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
- h. We understand that the Company has submitted Form NBS-7 for the quarter ended 31 March 2016, according to which the capital adequacy ratio is 30.36% based on provisional financial statements. Based on the audited financial statements, the capital adequacy ratio stands at 30.40% as at 31 March 2016. This is in compliance with the capital to risk asset norm prescribed by the RBI.
- i. As per the information furnished to us, the Company has electronically furnished the Form NBS-7 for the quarter ended 31 March 2016 within the stipulated time.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Praveen Kumar Jallan
per **Praveen Kumar Jallan**
Partner
Membership No.: 218700



Place: Hyderabad
Date: 26 May 2016

Jain Sons Finlease Limited
Balance Sheet as at 31 March 2016
(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	389,688,280	388,188,280
Reserves and surplus	4	101,739,924	86,643,274
		<u>491,428,204</u>	<u>474,831,554</u>
Non-current liabilities			
Long-term borrowings	5	613,805,433	702,530,605
Other long-term liabilities	6	7,200,000	4,300,000
Long-term provisions	7	10,287,421	6,260,684
		<u>631,292,854</u>	<u>713,091,289</u>
Current liabilities			
Short-term borrowings	8	100,000,000	50,000,000
Other current liabilities	6	625,021,021	407,745,197
Short-term provisions	7	17,970,953	17,435,974
		<u>742,991,974</u>	<u>475,181,171</u>
Total		<u><u>1,865,713,032</u></u>	<u><u>1,663,104,014</u></u>
Assets			
Non-current assets			
Tangible fixed assets	9	8,781,868	7,106,182
Non-current investments	10	-	69,918,623
Deferred tax assets (net)	11	9,150,141	5,182,302
Loans to customers	12	658,608,978	414,322,922
Long-term loans and advances	13	33,319,446	23,553,570
Other non-current assets	14	1,875,000	10,067,898
		<u>711,735,433</u>	<u>530,151,497</u>
Current assets			
Current investments	10	23,968,851	45,759,000
Cash and bank balances	15	237,758,158	215,024,652
Loans to customers	12	855,783,092	832,601,800
Short-term loans and advances	13	19,179,436	3,256,987
Other current assets	14	17,288,062	36,310,078
		<u>1,153,977,599</u>	<u>1,132,952,517</u>
Total		<u><u>1,865,713,032</u></u>	<u><u>1,663,104,014</u></u>

The accompanying notes 1 to 36 form an integral part of these financial statements.

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

Walker Chandniok & Co LLP
For Walker Chandniok & Co LLP
Chartered Accountants

per Praveen Kumar Jallan
Partner



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

Vineet Chandni Rai
Chairman
DIN: 00606290

Nitin Prakash Agrawal
Chief Financial Officer

Date: 26 May 2016
Place: Hyderabad

Sanjib Kumar Jha
Sanjib Kumar Jha
Director and Chief
Executive Officer
DIN: 03409208

Chirag Desai
Chirag Desai
Company Secretary

Date: 26 May 2016
Place: Hyderabad

R.A.

Jain Sons Finlease Limited
Statement of Profit and Loss for the year ended 31 March 2016
(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Revenues			
Revenue from operations	16	308,108,706	209,478,149
Other income	17	5,436,456	1,213
Total revenues		313,545,162	209,479,362
Expenses			
Employee benefits expense	18	57,205,137	30,428,320
Finance costs	19	185,689,694	77,093,043
Depreciation	9	1,822,368	1,652,312
Provisions and write-offs	20	26,134,360	18,556,271
Other expenses	21	28,636,056	20,617,693
Total expenses		299,487,615	148,347,639
Profit before tax		14,057,547	61,131,723
Tax expense			
Current tax		5,980,815	23,292,922
Deferred tax benefit		(3,967,838)	(3,708,456)
Taxes of earlier years		1,948,920	3,080,862
Profit for the year		10,095,650	38,466,395
Earnings per equity share (EPES)			
Basic	23	0.93	3.56
Diluted		0.62	2.38
Nominal value per equity share		10	10

The accompanying notes 1 to 36 form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants

Praveen
per Praveen Kumar Jallan
Partner



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

Vineet
Vineet Chandra Rai
Chairman
DIN: 00606290

Nitin
Nitin Prakash Agrawal
Chief Financial Officer

Sanjib
Sanjib Kumar Jha
Director and Chief
Executive Officer
DIN: 03409208

Chirag
Chirag Desai
Company Secretary

Date: 26 May 2016
Place: Hyderabad

Date: 26 May 2016
Place: Hyderabad

Jain Sons Finlease Limited

Cash Flow Statement for the year ended 31 March 2016

(All amounts in ₹ unless otherwise stated)

	31 March 2016	31 March 2015
Cash flow from operating activities		
Profit before tax	14,057,547	61,131,723
Adjustments for:		
Depreciation	1,822,368	1,652,312
Provisions and write-offs	11,005,462	18,556,271
Gratuity	341,382	437,443
Employee share based payment	5,001,000	-
Gain on sale of investments	(19,790,647)	(4,115,051)
Dividend income	-	(1,995,980)
Operating profit before working capital changes	<u>12,437,112</u>	<u>75,666,718</u>
(Increase)/decrease in loans and advances	(3,083,380)	4,354,017
Increase in loans to customers and investments	(175,758,576)	(892,417,153)
Decrease/(increase) in other current assets	29,089,914	(40,990,528)
Increase/(decrease) in other liabilities	<u>12,828,097</u>	<u>(84,595,981)</u>
Cash used in operations	<u>(124,486,833)</u>	<u>(937,982,927)</u>
Income tax paid, net	(37,319,810)	(30,547,664)
Net cash used in operating activities (A)	<u>(161,806,643)</u>	<u>(968,530,591)</u>
Cash flow from investing activities		
Proceeds from sale of units of mutual fund	2,645,154,277	1,146,848,964
Purchase of units of mutual fund	(2,636,827,610)	(1,018,000,000)
Proceeds from sale of investments	16,163,980	-
Purchase of investments	(4,700,000)	-
Purchase of fixed assets	(3,498,054)	(7,257,547)
Investment in fixed deposit	(5,419,753)	(2,184,990)
Net cash from investing activities (B)	<u>10,872,840</u>	<u>119,406,427</u>
Cash flow from financing activities		
Proceeds from issue of shares	1,500,000	52
Proceeds from borrowings	740,000,000	1,167,151,384
Repayment of borrowings	(571,377,444)	(168,779,935)
Net cash from financing activities (C)	<u>170,122,556</u>	<u>998,371,501</u>
Net increase in cash and cash equivalents (A+B+C)	19,188,753	149,247,337
Cash and cash equivalents at the beginning of the year	<u>183,253,565</u>	<u>34,006,228</u>
Cash and cash equivalents at the end of the year	<u><u>202,442,318</u></u>	<u><u>183,253,565</u></u>
Note 1: Interest paid	150,731,597	61,883,343
Note 2: Interest received on loans	263,740,281	122,784,954

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

Walker Chandniok & Co LLP
For Walker Chandniok & Co LLP

Chartered Accountants

per Praveen Kumar Jallan
Partner



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

Vincent Chandya Rai
Chairman
DIN: 006606290

Nitin Prakash Agrawal
Chief Financial Officer

Date: 26 May 2016
Place: Hyderabad

Sanjib Kumar Jha

Sanjib Kumar Jha
Director and Chief
Executive Officer
DIN: 03409208

Chirag Desai
Chirag Desai
Company Secretary

Date: 26 May 2016
Place: Hyderabad

Jain Sons Finlease Limited
Summary of significant accounting policies and other explanatory information
(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. 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”). The Company is engaged in the business of lending. The Company is part of a Systemically Important Non-Deposit taking NBFC group.

2. Summary of significant accounting policies

a. Basis of preparation of financial statements

The financial statement has been prepared on accrual basis of accounting and in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) (the “Rules”) specified under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other recognized accounting practices and policies generally accepted in India including the requirements of the Act (“Indian GAAP”) 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 have been consistently applied by the Company and are consistent with those used in the previous year.

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 Schedule III to the Act. Based on the nature of work, 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. 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 loans, employee benefits, income taxes, recognition of deferred tax assets, diminution in the value of long-term investments, 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.

c. 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.

d. Depreciation

Depreciation is provided using the straight line method at the rates specified in Schedule II. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

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 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. 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.

- 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 Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("Prudential Norms"). Additional interest for delays in payments is recognized as income only when it is certain that the amounts will be collected from the customers.
- Loan processing fees is accounted for upfront when it becomes due.
- Profit/loss on the sale of investments is computed on the basis of weighted average cost of investments and recognized at the time of actual sale/redemption.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Discount received in respect of bills discounted is apportioned over the period of usance of the instruments.
- Income from securitisation is recognized based on the coupon rate as per the terms of the respective contracts.

g. 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. Refer note 2(i) for policy on investments in pass through certificates of special purpose vehicles formed for securitisation of assets.

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.

h. Securitisation

The Company purchases credit rated asset pools from banks / non-banking finance companies by way of pass through certificates issued by the special purpose vehicle. Such securitisation transactions are accounted as investments as per Accounting Standard 13 'Accounting for Investments' in accordance with the 'Guidance Note on Accounting for Securitisation' issued by the ICAI.

i. 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.



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

j. **Asset classification and provisioning**

Loans are classified as follows:

Particulars	Criteria
Standard assets	Overdue < 90 days
Non-performing assets	
- Sub-standard assets	Overdue for 90 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	No. of days past due	Provision
Standard assets	-	1%
	0 – 30	1%
	31 – 60	2.5%
	61 – 90	10%
Sub-standard assets	91 – 180	33%
	181 – 360	50%
	361 - 730	100 %

Provision on restructured accounts classified as sub-standard advances is made at 10%.

k. **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.

l. **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.



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

m. 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.

n. 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.

o. 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.

p. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

q. 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.

r. 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.



Jain Sons Finlease Limited

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

3. Share capital

	31 March 2016		31 March 2015	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹10 each	17,500,000	175,000,000	17,500,000	175,000,000
0.001% Compulsory Convertible Preference Shares ("CCPS") of ₹20 each	2,000,000	40,000,000	2,000,000	40,000,000
0.001% Series B1 CCPS of ₹100 each	2,500,000	250,000,000	2,500,000	250,000,000
0.001% Series B2 CCPS of ₹100 each	300,000	30,000,000	300,000	30,000,000
0.001% Series C CCPS of ₹10 each	6,000,000	60,000,000	-	-
		<u>555,000,000</u>		<u>495,000,000</u>
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	10,969,348	109,693,480	10,819,348	108,193,480
0.001% Series B1 CCPS of ₹100 each	2,499,948	249,994,800	2,499,948	249,994,800
0.001% Series B2 CCPS of ₹100 each	300,000	30,000,000	300,000	30,000,000
		<u>389,688,280</u>		<u>388,188,280</u>

a) Reconciliation of equity share capital

	31 March 2016		31 March 2015	
	Number	Amount	Number	Amount
Balance at the beginning of the year	10,819,348	108,193,480	10,819,347	108,193,470
Add: Allotted during the year (refer note j below)	150,000	1,500,000	1	10
Balance at the end of the year	<u>10,969,348</u>	<u>109,693,480</u>	<u>10,819,348</u>	<u>108,193,480</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, if any, 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 remaining assets of the Company in proportion of their shareholding.

c) Reconciliation of CCPS

	31 March 2016		31 March 2015	
	Number	Amount	Number	Amount
0.001% Series B1 CCPS of ₹100 each				
Balance at the beginning of the year	2,499,948	249,994,800	2,499,948	249,994,800
Add: Allotted during the year	-	-	-	-
Balance at the end of the year	<u>2,499,948</u>	<u>249,994,800</u>	<u>2,499,948</u>	<u>249,994,800</u>
0.001% Series B2 CCPS of ₹100 each				
Balance at the beginning of the year	300,000	30,000,000	300,000	30,000,000
Add: Allotted during the year	-	-	-	-
Balance at the end of the year	<u>300,000</u>	<u>30,000,000</u>	<u>300,000</u>	<u>30,000,000</u>



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

d) Terms and rights attached to CCPS of ₹100 each

The Company has allotted non-cumulative 2,499,948 CCPS and 300,000 CCPS of face value ₹100 each fully paid-up at par to ON Mauritius and Michael & Susan Dell Foundation respectively. CCPS carry dividend of 0.001% per annum. In addition to the fixed dividend, each CCPS shall be entitled to participate along with the equity shares in any dividends declared by the Company on the equity shares, as if such CCPS has been converted into equity shares immediately prior to declaration of dividend by the Company.

Pursuant to the terms of Shareholders Agreement dated 18 February 2014 between the Company, ICAP, ON Mauritius, Michael and Susan Dell Foundation and Mr. Sanjib Kumar Jha, Chief Executive Officer and Key Person, CCPS shall be compulsorily convertible into equity share of ₹10 each fully paid-up at a premium of ₹42.25 each share. The CCPS shall be mandatorily convertible into equity shares at any time before 22 March 2019 at the option of the CCPS holder. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital. Each CCPS holder shall be entitled to participate along with the equity share holders in any dividends declared by the Company on the equity shares, as if such CCPS have been converted to equity shares.

e) Details of equity shares held by holding company and its subsidiaries

	31 March 2016		31 March 2015	
	Number	Amount	Number	Amount
ICAP	5,999,995	59,999,950	5,999,995	59,999,950
IntelleCash Microfinance Network Company Private Limited, a subsidiary of the holding company ("IntelleCash")	1,000,000	10,000,000	1,000,000	10,000,000

f) Shareholders holding more than five percent of paid-up equity share capital

	31 March 2016		31 March 2015	
	Number	% holding	Number	% holding in the class
ICAP	5,999,995	54.70%	5,999,995	55.46%
Michael & Susan Dell Foundation	2,691,247	24.53%	2,691,247	24.87%
IntelleCash	1,000,000	9.12%	1,000,000	9.24%
Sanjib Kumar Jha	810,001	7.38%	810,001	7.49%

g) Shareholders holding more than five percent of paid-up 0.001% Series B1 CCPS of ₹100 each fully paid-up

	31 March 2016		31 March 2015	
	Number	% holding	Number	% holding in the class
ON Mauritius	2,499,948	100.00%	2,499,948	100.00%

h) Shareholders holding more than five percent of paid-up 0.001% Series B2 CCPS of ₹100 each fully paid-up

	31 March 2016		31 March 2015	
	Number	% holding	Number	% holding in the class
Michael & Susan Dell Foundation	300,000	100.00%	300,000	100.00%

i) Shares issued for a consideration other than in cash

The issued, subscribed and fully paid-up share capital as at 31 March 2016 includes 710,000 (31 March 2015: 560,000) equity shares of ₹10 each fully paid-up, allotted pursuant to contract for consideration other than cash during the period of five years immediately preceding the reporting date.



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

j) **Shares reserved for issue under options**

Employee share based payment

At its meeting held on 10 December 2012, the Board of Directors ("the Board") had 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 had identified and allotted 560,000 equity shares to employees in the past. In the current period, the Company has further allotted 150,000 equity shares of face value of ₹10 each to certain employees on a private placement basis. The board of directors have approved the said allotment on 3 November 2015 for a cash consideration of ₹10 per share. The difference between the fair value of shares on the date of allotment being ₹43.34, as determined by an independent valuer, and the cash consideration has been considered as compensation for services rendered by the said employees.

The balance 130,889 equity shares shall be allotted to eligible employees of the Company based on recommendation of CEO and approval of the Board.

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 disclosures regarding impact of fair value method on the reported net profit and earnings per equity share is not considered necessary.

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

(All amounts in ₹ unless otherwise stated)

4. Reserves and surplus

	<u>31 March 2016</u>	<u>31 March 2015</u>
Statutory reserve fund		
Balance at the beginning of the year	11,441,243	3,747,964
Add: Transfer from statement of profit and loss	<u>2,019,130</u>	<u>7,693,279</u>
Balance at the end of the year	13,460,373	11,441,243
Securities premium account		
Balance at the beginning of the year	31,130,366	31,130,324
Add: Premium on issue of shares	<u>5,001,000</u>	<u>42</u>
Balance at the end of the year	36,131,366	31,130,366
Surplus in the statement of profit and loss		
Balance at the beginning of the year	44,071,665	13,298,549
Add: Profit for the year	10,095,650	38,466,395
Less: Transferred to statutory reserve fund	<u>(2,019,130)</u>	<u>(7,693,279)</u>
Balance at the end of the year	52,148,185	44,071,665
	<u>101,739,924</u>	<u>86,643,274</u>

5. Long-term borrowings

(Secured)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Debentures		
1,942 (31 March 2015: 1,942) Non-Convertible Redeemable Debentures (NCDs) of ₹100,000 each fully paid-up	194,200,000	194,200,000
2,400 (31 March 2015: 2,400) Non-Convertible Redeemable Debentures (NCDs) of ₹100,000 each fully paid-up	240,000,000	240,000,000
Term and other loans		
- from banks	20,205,684	135,372,737
- from others	<u>745,029,058</u>	<u>511,239,449</u>
	1,199,434,742	1,080,812,186
Less: Current maturities of long-term borrowings (Refer note 6)	<u>585,629,309</u>	<u>378,281,581</u>
	<u>613,805,433</u>	<u>702,530,605</u>

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

(All amounts in ₹ unless otherwise stated)

(a) Debentures

- (i) The Company has allotted 1,942 NCDs of face value of ₹100,000 each fully paid-up at discount of ₹1,000 per debenture on 8 October 2014. NCDs are secured by way of hypothecation of book debts/loan receivables and carries interest rate of 13.5% per annum, net of withholding taxes payable half yearly. Interest rate shall be reset after a period of three years from the date of allotment. The NCDs are redeemable at par on 8 October 2020. The Company has call option and the debenture holders have put option on NCDs exercisable at the end of 36 months from the date of issue.
- (ii) The Company has allotted 2,400 NCDs of face value of ₹100,000 each fully paid-up at par on 23 March 2015. NCDs are secured by way of hypothecation of book debts/loan receivables and carries interest rate of 13.25% per annum payable half yearly. The NCDs are first redeemable at par on 23 March 2018. The redemption date, at the option of the debenture holders, may be extended first to 23 March 2019 and then to 23 March 2020.

(b) Term and other loans

The loan from banks carries interest linked to the bank's prime lending rate and is 13.5% per annum (31 March 2015: 13% to 14.5% per annum). The interest on loans from others ranges from 13.17% to 15.65% per annum (31 March 2015: 14.5% to 16% per annum). Loans are secured as follows:

- Loans amounting to ₹765,607,901 (31 March 2015: ₹646,612,186) is secured by way of hypothecation of book debts created out of the loan amount.
- Loans from others amounting to ₹373,405,031 (31 March 2015: ₹320,011,992) is also secured by way of cash deposits with respective lenders.
- Loan from banks amounting to ₹Nil (31 March 2015: ₹57,594,959) is also secured by way of equitable mortgage on immovable property of ICAP and corporate guarantee of ICAP.

(c) Repayment schedule

	31 March 2016	31 March 2015
Up to 1 year	585,629,309	378,281,581
2 to 5 years	613,805,433	702,530,605
Above 5 years	-	-
	<u>1,199,434,742</u>	<u>1,080,812,186</u>

6. Other liabilities

	31 March 2016	31 March 2015
Non-current		
Collateral deposits from customers	7,200,000	4,300,000
	<u>7,200,000</u>	<u>4,300,000</u>
Current		
Current maturities of long-term borrowings	585,629,309	378,281,581
Interest accrued but not due	21,556,924	11,395,400
Statutory liabilities	962,679	2,874,841
Other liabilities	16,872,109	15,000,695
Dues to holding company	-	192,680
	<u>625,021,021</u>	<u>407,745,197</u>



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

7. Provisions

	<u>31 March 2016</u>	<u>31 March 2015</u>
Long-term		
Provision for gratuity [refer note (b) below]	846,695	508,678
Contingent provision against standard assets	6,719,070	4,490,916
Provision		
- On sub-standard assets	2,721,656	561,904
- On investments	-	699,186
	<u>10,287,421</u>	<u>6,260,684</u>
Short-term		
Provision for gratuity [refer note (b) below]	5,178	1,813
Contingent provision against standard assets	10,248,948	7,627,613
Provision		
- On sub-standard assets	7,477,138	2,563,829
- On investments	239,689	457,590
Provision for tax (net of advance tax)	-	6,785,129
	<u>17,970,953</u>	<u>17,435,974</u>
(a) Provisions		
Balance at the beginning of the year	16,401,038	4,771,115
Add: Charged during the year	20,110,150	14,703,682
Less: Reversed during the year	<u>(9,104,687)</u>	<u>(3,073,759)</u>
Balance at the end of the year	<u>27,406,501</u>	<u>16,401,038</u>

(b) 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 2016</u>	<u>31 March 2015</u>
Current service cost	388,332	284,205
Interest cost on benefit obligation	40,728	5,805
Net actuarial (gain) / loss	<u>(87,678)</u>	<u>147,433</u>
Net expense	<u>341,382</u>	<u>437,443</u>

Actual return on plan assets

- -

Changes in present value of the defined benefit obligation for gratuity

	<u>31 March 2016</u>	<u>31 March 2015</u>
Opening defined benefit obligation	510,491	73,048
Interest cost	40,728	5,805
Current service cost	388,332	284,205
Actuarial (gains)/ losses on obligations	<u>(87,678)</u>	<u>147,433</u>
Closing defined benefit obligation	<u>851,873</u>	<u>510,491</u>



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

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

	<u>31 March 2016</u>	<u>31 March 2015</u>
Discounting rate (per annum)	7.80%	8.00%
Increase in compensation cost	5.00%	5.00%
Attrition rate	2.00%	2.00%
Retirement age (years)	<u>60</u>	<u>60</u>

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

Amounts for the current and previous four years/periods are as follows:

Particulars	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	851,873	510,491	73,048	16,565	-
Plan assets	-	-	-	-	-
Surplus (Deficit)	(851,873)	(510,491)	(73,048)	(16,565)	-
Experience adjustments on plan liabilities -(Loss)/Gain	-	-	-	-	-
Experience adjustments on plan assets -(Loss)/Gain	-	-	-	-	-

8. Short-term borrowings

	<u>31 March 2016</u>	<u>31 March 2015</u>
Loan from others (secured)	<u>100,000,000</u>	<u>50,000,000</u>
	<u>100,000,000</u>	<u>50,000,000</u>

Loan from others amounting to ₹100,000,000 (31 March 2015: ₹50,000,000) is secured by way of hypothecation of book debts created out of the loan amount. The loan carries interest linked to the lender lending rate and is 14% per annum (31 March 2015: 14% per annum). The loan is repayable in twelve equated monthly installments.

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Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

9. Tangible fixed assets

	Computers	Office equipment	Software	Furniture and Fixtures	Total
Gross block					
As at 1 April 2014	1,147,871	856,883	-	-	2,004,754
Additions	1,076,179	143,290	2,038,078	4,000,000	7,257,547
As at 31 March 2015	2,224,050	1,000,173	2,038,078	4,000,000	9,262,301
Additions	516,245	886,078	757,388	1,338,343	3,498,054
As at 31 March 2016	<u>2,740,295</u>	<u>1,886,251</u>	<u>2,795,466</u>	<u>5,338,343</u>	<u>12,760,355</u>
Accumulated depreciation					
Up to 1 April 2014	436,693	67,114	-	-	503,807
Charge for the year	755,372	376,735	21,892	498,313	1,652,312
Up to 31 March 2015	1,192,065	443,849	21,892	498,313	2,156,119
Charge for the year	906,548	306,128	140,549	469,143	1,822,368
Up to 31 March 2016	<u>2,098,613</u>	<u>749,977</u>	<u>162,441</u>	<u>967,456</u>	<u>3,978,487</u>
Net block					
As at 31 March 2016	641,682	1,136,274	2,633,025	4,370,887	8,781,868
As at 31 March 2015	<u>1,031,985</u>	<u>556,324</u>	<u>2,016,186</u>	<u>3,501,687</u>	<u>7,106,182</u>

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Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

10. Investments

(Unquoted, non-trade)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Non-current		
Investment in Pass Through Certificates (PTCs)		
Nil units (31 March 2015: 45,949,772) of Series A2 PTCs of Satin - Eureka Trust March 2015 I of face value of ₹1 each.	-	45,949,772
Nil units (31 March 2015: 90) of Series A2 PTCs of Arkaios Multi Micro Finance Pool Trust 2015 of face value of ₹266,320.57 each.	-	23,968,851
	<u>-</u>	<u>69,918,623</u>
Current		
Investment in PTCs		
Nil units (31 March 2015: 45,759) of Series A2 PTCs of Cedar MFI Trust 20 of face value of ₹1,000 each.	-	45,759,000
90 units (31 March 2015: Nil) of Series A2 PTCs of Arkaios Multi Micro Finance Pool Trust 2015 of face value of ₹266,320.57 each.	23,968,851	-
	<u>23,968,851</u>	<u>45,759,000</u>
Aggregate amount of:		
Unquoted investments	<u>23,968,851</u>	<u>115,677,623</u>

11. Deferred tax assets (net)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Deferred tax liability		
On account of		
Fixed assets	192,325	304,055
Deferred tax assets		
On account of		
Provision for loan	9,042,030	5,321,317
Others	300,436	165,040
Deferred tax assets, net	<u>9,150,141</u>	<u>5,182,302</u>



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

12. Loans to customers

(Considered good)

	31 March 2016		31 March 2015	
	Non-current	Current	Non-current	Current
Standard assets				
Secured	471,866,886	628,399,541	307,201,642	553,799,858
Unsecured	159,525,530	197,130,881	95,883,210	240,733,440
	<u>631,392,416</u>	<u>825,530,422</u>	<u>403,084,852</u>	<u>794,533,298</u>
Sub-standard assets				
Secured	27,216,562	30,252,670	11,238,070	16,276,583
Unsecured	-	-	-	21,791,919
	<u>27,216,562</u>	<u>30,252,670</u>	<u>11,238,070</u>	<u>38,068,502</u>
	<u><u>658,608,978</u></u>	<u><u>855,783,092</u></u>	<u><u>414,322,922</u></u>	<u><u>832,601,800</u></u>

The above classification of loan portfolio into standard and sub-standard assets is based on the accounting policy of the Company as disclosed in note 2(j).

Loans to customers include dues from following companies, in which director of the Company is/was a director:

	31 March 2016		31 March 2015	
	Closing balance	Maximum outstanding	Closing balance	Maximum outstanding
Vaatsalya Healthcare Solutions Private Limited	10,049,156	32,025,497	32,025,497	38,384,865
Visage Holding & Finance Private Limited	11,397,812	32,858,866	32,858,866	35,178,643
ULink Bio Energy Private Limited	-	28,885,450	11,790,985	18,531,675
Electronic Payment and Services Private Limited	56,375,001	96,875,000	96,875,000	100,000,000
Milk Mantra Dairy Private Limited	-	-	-	25,000,000

13. Loans and advances

(Unsecured, considered good)

	31 March 2016	31 March 2015
Long-term		
Collateral security given to lenders	9,000,000	21,439,070
Deposits	1,714,500	2,114,500
Advance tax (net of provision)	22,604,946	-
	<u>33,319,446</u>	<u>23,553,570</u>
Short-term		
Collateral security given to lenders	11,845,569	-
Deposits	330,241	-
Advances recoverable in cash or in kind or for value to be received	250,985	1,518,426
Loan and advances to directors*	5,000,000	868,584
Interest free loan to employees**	1,752,641	129,427
CENVAT credit receivable	-	740,550
	<u>19,179,436</u>	<u>3,256,987</u>

*includes ₹5,000,000 (31 March 2015: ₹868,584) due from Mr. Sanjib Kumar Jha, Director and CEO.

**includes ₹600,000 (31 March 2015: ₹129,427) due from Mr. Nitin Prakash Agrawal, Chief Financial Officer.



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

14. Other current assets

(Unsecured, considered good)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Non-current		
Unamortised expenses	-	10,067,898
Fixed deposits with bank (with maturity of more than 12 months)*	1,875,000	-
	<u>1,875,000</u>	<u>10,067,898</u>

* includes ₹1,875,000 (31 March 2015: ₹Nil) held as collateral against the borrowings.

Current

Accrued interest and other receivables	13,939,886	27,034,398
Unamortised expenses	-	8,641,306
Prepaid expenses	2,260,664	148,644
Other receivables	1,087,512	485,730
	<u>17,288,062</u>	<u>36,310,078</u>

15. Cash and bank balances

	<u>31 March 2016</u>	<u>31 March 2015</u>
Cash and cash equivalents		
Balances with banks in current accounts	198,588,618	182,820,120
Cash on hand	439,902	433,445
Cheques on hand	3,413,798	-
	<u>202,442,318</u>	<u>183,253,565</u>
Other bank balances		
Fixed deposits with bank (with maturity of less than 12 months)*	35,315,840	31,771,087
	<u>237,758,158</u>	<u>215,024,652</u>

* includes ₹30,336,097 (31 March 2015: ₹26,896,087) held as collateral against the borrowings.

16. Revenue from operations

	<u>31 March 2016</u>	<u>31 March 2015</u>
Interest income from		
Loan to customers	245,903,576	144,147,493
Investments in PTCs	12,596,511	1,511,802
Fixed deposits	3,074,435	1,904,042
Other financial services		
Loan processing fees	21,058,501	17,460,997
Gain on sale of investments	19,790,647	4,115,051
Loan syndication fees	3,600,000	-
Dividend income	-	1,995,980
Interest on cash collaterals	1,667,758	497,204
Customer review fees	417,278	-
Other operating income		
Grant income	-	37,845,580
	<u>308,108,706</u>	<u>209,478,149</u>



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

(All amounts in ₹ unless otherwise stated)

17. Other income

	<u>31 March 2016</u>	<u>31 March 2015</u>
Bad debt recovered	3,859,488	-
Miscellaneous income	1,576,968	1,213
	<u>5,436,456</u>	<u>1,213</u>

18. Employee benefits expense

	<u>31 March 2016</u>	<u>31 March 2015</u>
Salaries and wages	48,924,465	28,986,600
Employee share based payment	5,001,000	-
Gratuity	341,382	437,443
Staff welfare expenses	2,938,290	1,004,277
	<u>57,205,137</u>	<u>30,428,320</u>

19. Finance costs

	<u>31 March 2016</u>	<u>31 March 2015</u>
Interest expense	160,893,121	70,602,823
Other borrowing costs	24,796,573	6,490,220
	<u>185,689,694</u>	<u>77,093,043</u>

20. Provisions and write-offs

	<u>31 March 2016</u>	<u>31 March 2015</u>
Contingent provision against standard assets	3,100,073	7,347,414
Provision for sub-standard and non-performing assets	8,822,477	3,125,733
Provision on investments	(917,088)	1,156,776
Portfolio loans written-off	15,128,898	6,926,348
	<u>26,134,360</u>	<u>18,556,271</u>

21. Other expenses

	<u>31 March 2016</u>	<u>31 March 2015</u>
Rent	3,613,194	3,149,706
Office expenses	4,158,431	4,112,973
Legal and professional fees	4,417,951	2,809,648
Rates and taxes	4,439,469	2,646,806
Communication expense	1,127,371	491,765
Travelling and conveyance	6,303,717	6,246,299
Printing and stationery	506,269	-
Directors sitting fees	995,000	40,000
Payments to the auditor		
- As auditors	1,065,000	700,000
- As others	-	131,000
Miscellaneous expenses	2,009,654	289,496
	<u>28,636,056</u>	<u>20,617,693</u>



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

22. Related party disclosures

a) Name of the related parties and relationship

Name of the parties	Nature of relationship
ICAP	Holding company
IntelleCash	Fellow subsidiary
Intellectap Software Technologies Private Limited	Fellow subsidiary
Arohan Financial Services Private Limited ("Arohan")	Fellow subsidiary
Sanjib Kumar Jha	Key management personnel (KMP)

Note: The Company is not a subsidiary of ICAP as per the definition of subsidiary under the Companies Act, 2013. However, the Company is a subsidiary of ICAP in accordance with the provisions of Accounting Standard (AS) 18 'Related Party Disclosures' prescribed under the Rules.

b) Transactions during the year

	31 March 2016	31 March 2015
ICAP		
Support charges	-	1,713,463
Advisory services fees	-	4,494,400
Reimbursement of expenses incurred on behalf of the Company	504,961	514,610
Arohan		
Reimbursement of expenses incurred on behalf of the Company	1,228,320	-
IntelleCash		
Interest expense	-	439,726
Intellectap Software Technologies Private Limited		
Rent	-	722,429
Sanjib Kumar Jha		
Remuneration and other employee benefits	6,612,096	5,581,089
Reimbursable expenses incurred by the Company	536,145	833,845
Employee loan given	5,000,000	-
Interest on loan	96,370	-

Note: ICAP has given corporate guarantee and mortgaged its immovable property for a loan of ₹Nil (31 March 2015: ₹100,000,000) sanctioned to the Company. The balance payable as at 31 March 2016 is ₹Nil (31 March 2015: ₹57,594,959).

c) Balances receivable/(payable)

	31 March 2016	31 March 2015
ICAP	(44,951)	(192,680)
Sanjib Kumar Jha	5,000,000	868,584



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

23. Earnings per equity share [EPES]

	31 March 2016	31 March 2015
a) Profit attributable to equity shareholders for computation of basic and diluted EPES	10,095,650	38,466,395
b) Computation of weighted average number of equity shares used in computation of basic and diluted EPES		
	31 March 2016	31 March 2015
Weighted average number of shares considered for computation of basic EPES	10,880,656	10,819,348
Add: Effect of potential dilutive shares	5,358,752	5,358,752
Weighted average number of shares considered for computation of diluted EPES	16,239,408	16,178,100
c) EPES		
Basic	0.93	3.56
Diluted	0.62	2.38

24. Earnings in foreign currency (accrual basis)

	31 March 2016	31 March 2015
Grant income (including service tax)	-	42,523,294

25. Expenditure in foreign currency (accrual basis)

	31 March 2016	31 March 2015
Travel and conveyance	508,712	658,153

26. Additional disclosures pursuant to the Prudential Norms:

	31 March 2016	
	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	452,942,677	-
Unsecured (other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans, including interest accrued but not paid	92,618,611	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans - from banks and financial institutions	675,430,377	-



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

31 March 2016

Assets side:		
(2) Break up of Loans and advances including bills receivable (other than those included in (4) below):		
a) Secured, gross		1,157,735,659
b) Unsecured, gross		356,656,411
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(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		-
(4) Breakup of investments		
Current Investments :		
1. Quoted		
(i) Shares :		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-
2. Unquoted		
(i) Shares :		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (PTCs)		23,968,851
Long Term investments :		
1. Quoted		
(i) Shares :		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-



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

(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 (PTCs)	-

Net of provision as at 31 March 2016

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

Category	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties	1,134,668,618	352,556,640	1,487,225,258
Total	1,134,668,618	352,556,640	1,487,225,258

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

Category	Market value / Breakup or fair value or NAV	Book value (net of provisions)
1. Related parties	-	-
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	23,968,851	23,729,162
Total	23,968,851	23,729,162

31 March 2016

(7) Other information

(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	57,469,232
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	47,270,438
(iii) Assets acquired on satisfaction of debt	-



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

27. Disclosure of restructured accounts

S. No.	Type of Restructuring →	Others									
		31 March 2016					31 March 2015				
Asset Classification →		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
Details ↓											
1	Restructured Accounts as on April 1 of the FY 2015-16 (opening figures)	-	3	-	-	3	-	-	-	-	-
	No. of borrowers										
	Amount outstanding	-	46,098,977	-	-	46,098,977	-	-	-	-	-
	Provision thereon	-	3,125,733	-	-	3,125,733	-	-	-	-	-
2	Fresh restructuring during the year	-	1	-	-	1	-	3	-	-	3
	No. of borrowers										
	Amount outstanding	-	22,207,514	-	-	22,207,514	-	46,098,977	-	-	46,098,977
	Provision thereon	-	3,070,255	-	-	3,070,255	-	3,125,733	-	-	3,125,733
3	Upgradations to restructured standard category during the FY	1	(1)	-	-	-	-	-	-	-	-
	No. of borrowers										
	Amount outstanding	12,693,220	(12,693,220)	-	-	-	-	-	-	-	-
	Provision thereon	634,661	(634,661)	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	(1)	-	-	-	(1)	-	-	-	-	-
	No. of borrowers										
	Amount outstanding	(12,693,220)	-	-	-	(12,693,220)	-	-	-	-	-
	Provision thereon	(634,661)	-	-	-	(634,661)	-	-	-	-	-
5	Down gradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-
	No. of borrowers										
	Amount outstanding	-	-	-	-	-	-	-	-	-	-

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

S. No.	Type of Restructuring →	Others													
		31 March 2016					31 March 2015								
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total				
	Asset Classification → Details ↓														
6	Write-offs of restructured accounts during the FY	-	(1)	-	-	(1)	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	(1)	-	-	(1)	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	(17,500,000)	-	-	(17,500,000)	-	-	-	-	-	-	-	-	-
	Provision thereon	-	(1,750,000)	-	-	(1,750,000)	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY 2015-16 (closing figures)	-	2	-	-	2	-	3	-	-	-	-	-	3	-
	Amount outstanding	-	38,113,271	-	-	38,113,271	-	46,098,977	-	-	-	-	-	46,098,977	-
	Provision thereon	-	3,811,327	-	-	3,811,327	-	3,125,733	-	-	-	-	-	3,125,733	-

Notes:

1. Since the disclosure of restructured advance account pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.
2. The outstanding amount and number of borrowers as at 31 March 31 2016 and 31 March 31 2015 is after considering recoveries during the year.
3. Partial repayments in existing restructured accounts are disclosed under "Write-offs of restructured accounts".

(The below 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)

28. Additional disclosures required under the RBI regulations

(a) Asset liability management

Maturity pattern of certain items of assets and liabilities as at 31 March 2016

Period	Borrowings		Assets	
	From banks	From others	Investments	Advances
1 day to 30/31 days (1 month)	2,050,419	53,234,412	-	98,662,018
Over 1 month to 2 months	2,187,953	62,663,709	2,976,876	62,870,221
Over 2 month to 3 months	2,206,274	67,491,631	9,182,637	82,255,467
Over 3 month to 6 months	6,776,536	185,248,748	11,808,438	219,902,627
Over 6 month to 1 year	6,984,502	296,305,784	900	392,092,760
Over 1 Year to 3 years	-	614,284,774	-	609,038,826
Over 3 years to 5 years	-	-	-	49,570,151
Over 5 years	-	-	-	-
	20,205,684	1,279,229,058	23,968,851	1,514,392,070

Notes:

1. The above borrowings excludes interest accrued but not due.
2. The advances comprise of loan portfolio and does not include interest accrued.
3. The above information has been considered as per the Asset Liability Management (ALM) report compiled by the management and reviewed by the ALM committee

(b) Capital to Risk Asset Ratio ("CRAR")

	31 March 2016
CRAR (%)	30.40%
CRAR – Tier I Capital (%)	30.40%
CRAR – Tier II Capital (%)	-
Amount of subordinated loan raised as Tier II Capital	-
Amount raised by issue of perpetual debt instruments	-

(c) Investments

	31 March 2016	31 March 2015
Value of investments		
Gross value of investments		
a) In India	23,968,851	115,677,623
b) Outside India	-	-
Provisions for depreciation		
a) In India	239,689	1,156,776
b) Outside India	-	-
Net value of investments		
a) In India	23,729,162	114,520,847
c) Outside India	-	-



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

	31 March 2016	31 March 2015
Movement of provisions held towards depreciation on investments		
Opening balance	1,156,776	-
Add: Provisions made during the year	-	1,156,776
Less: Write-off/write-back of excess provisions during the year	917,087	-
Closing balance	239,689	1,156,776

(d) Derivatives

The Company does not have any derivatives exposure in the current and previous year.

(e) Disclosure relating to securitization

The Company has not done any securitization during the year.

(f) Exposures

The Company does not have any direct exposure to real estate sector in the current and previous year. Details of exposure to capital market are as follows:

	31 March 2016	31 March 2015
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	451,298,126	297,796,881
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-
viii. all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market	451,298,126	297,796,881



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

- i. **Details of financing of parent company products**
The Company has not financed any parent company product.
- ii. **Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) extended by the NBFC**
The exposure to a single borrower and group of borrower does not exceed the limit stipulated under the concentration of credit norms applicable to the Company.
- iii. **Unsecured advances**
The details of unsecured advances are provided in Note 12 to the financial statements. Further, the Company has not given any loan against intangible assets.

(g) **Miscellaneous**

- i. **Registration obtained from other financial sector regulators**
The Company has not obtained any registration from other financial sector regulators.
- ii. **Disclosure of penalties imposed by RBI and other regulators**
No penalties have been imposed by RBI or other financial sector regulators during the current and previous year.
- iii. **Ratings assigned by credit rating agencies and migration of ratings during the year**
The details of ratings assigned by Credit Analysis & Research Limited (CARE) vide their report dated 22 March 2016 and migration of rating during the year is as follows:

Facility	Rating	Remarks
Non-convertible debenture	CARE BBB-	Reaffirmed
Long-term bank facilities	CARE BBB-	Reaffirmed

- iv. **Revenue recognition**
The Company has not postponed recognition of revenue pending resolution of significant uncertainties.

(h) **Additional disclosures**

i. **Provisions and contingencies (as shown in the Statement of Profit and Loss)**

	31 March 2016	31 March 2015
Provisions for depreciation on Investment	(917,088)	1,156,776
Provisions towards NPA	8,822,477	3,125,733
Provisions made towards income tax	5,980,815	23,292,922
Provision for gratuity	341,382	437,443
Provisions for standard assets	3,100,073	7,347,414

- ii. **Draw down from reserves**
The Company has not made any drawdown of reserves during the year.
- iii. **Concentration of deposits**
The Company has not accepted any deposit from public in the current and previous year. Hence, this disclosure is not applicable.



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iv. Concentration of advances, exposures and NPAs	31 March 2016	31 March 2015
a) Concentration of advances		
Total advances to twenty largest borrowers	827,122,869	832,481,276
Percentage of advances to twenty largest borrowers to total advances	55%	67%
b) Concentration of exposures		
Total exposure to twenty largest borrowers/customers	827,122,869	832,481,276
Percentage of exposure to twenty largest borrowers/customers to total exposure	55%	67%
c) Concentration of NPAs		
Total exposure to top four NPA accounts	57,469,232	51,864,988
d) Sector wise NPAs (Percentage of NPAs to total advances in that sector)		
Agriculture and allied activities		
MSME	-	-
Corporate borrowers	-	-
Services	3.8%	4.2%
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-
e) Movement of NPAs		
i. Net NPAs to net advances (%)	3.18%	3.91%
ii. Movement of NPAs (Gross)		
Opening balance	51,864,988	-
Additions during the year	41,563,475	51,864,988
Reductions during the year	(35,959,231)	-
Closing balance	57,469,232	51,864,988
iii. Movement of Net NPAs		
Opening balance	48,182,143	-
Additions during the year	32,201,192	48,182,143
Reductions during the year	(33,112,897)	-
Closing balance	47,270,438	48,182,143



Jain Sons Finlease Limited
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	31 March 2016	31 March 2015
iv. Movement of provisions for NPAs (excluding provision on standard assets)		
Opening balance	3,682,845	-
Provisions made during the year	9,362,283	3,682,845
Write-off/ write-back of excess provisions	(2,846,334)	-
Closing balance	10,198,794	3,682,845

f) **Overseas assets (for those with joint venturers and subsidiaries abroad)**

The Company did not have any overseas assets during the year.

g) **Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)**

The Company did not sponsor any SPVs during the year.

(i) **Disclosure of customer complaints**

	31 March 2016	31 March 2015
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

29. Loans sanctioned but not disbursed as at 31 March 2016 amounts to ₹122,500,000 (31 March 2015: ₹320,500,000).

30. 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 2016 is ₹1,307,604 (31 March 2015: ₹1,513,644).

The Company has also entered into non-cancellable operating lease arrangements in respect of its office premises. The Company's obligation towards payment of consideration (excluding service taxes) over the remaining term of the arrangement is as follows:

Period	31 March 2016	31 March 2015
Not later than one year	3,999,600	3,333,000
Later than one year and not later than five years	7,832,550	-
Later than five years	-	-

31. **Segment reporting**

Based on the Company's business model and considering the internal financial reporting to the management, "Lending" 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.

32. The Company has received foreign direct investment under automatic route as prescribed under the Consolidated Foreign Direct Investment Policy of the Government of India, which, in view of the management and based on opinion of an independent counsel, is in accordance with the extant guidelines notified by the RBI.



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33. **Change in accounting policy**

During the year ended 31 March 2016, the Company has revised its accounting policy of expensing other borrowing costs on borrowings availed from amortising it over the period of loan to charging it upfront. Had the Company continued to use the earlier policy of amortising other borrowing costs, the profit for the year would have been higher to the tune of ₹9,674,421 (net of tax) and consequently, reserves and surplus as at 31 March 2016 would have been higher by ₹9,674,421.

34. Based on information available with the Company, as at 31 March 2016, there are no suppliers who are registered as micro, small and medium enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

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

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

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

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
Chartered Accountants

Jallan
per **Praveen Kumar Jallan**
Partner



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

Vineet Chandra Rai
Vineet Chandra Rai
Chairman
DIN: 00606290

Nitin Prakash Agrawal
Nitin Prakash Agrawal
Chief Financial Officer

Sanjib Kumar Jha
Sanjib Kumar Jha
Director and Chief
Executive Officer
DIN: 03409208

Chirag Desai
Chirag Desai
Company Secretary

Place: Hyderabad
Date: 26 May 2016

Place: Hyderabad
Date: 26 May 2016

R.A.