

**ANNUAL REPORT OF JAIN SONS FINLEASE LIMITED 2016 - 2017**

**BOARD OF DIRECTORS:**

Vineet Chandra Rai  
Rakesh Rewari  
Bhama Krishnamurthy  
Pradeep Pursnani  
Anuradha Ramachandran  
Anurag Agrawal  
Sanjib Kumar Jha (resigned on 30-Sep-2016)  
Akbar Khan

Arvind Kodikal  
Aleem Remtula

Chairman  
Independent Director  
Independent Director  
Nominee Director  
Nominee Director  
Director  
Director & CEO  
Chief Executive Officer (w.e.f. 07-Nov-2016) &  
Additional (Executive) Director (w.e.f. 24-May-2017)  
Additional (Nominee) Director (w.e.f. 24-May-2017)  
Additional (Nominee) Director (w.e.f. 24-May-2017)

**KEY MANAGERIAL PERSONNEL:**

Akbar Khan  
Nitin Agrawal  
Chirag Desai

Chief Executive Officer  
Deputy Chief Executive Officer & Chief Financial Officer  
Company Secretary

**BANKERS:**

Kotak Mahindra Bank

**DEBENTURE TRUSTEE:**

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

**REGISTRAR AND SHARE TRANSFER AGENT:**

For Debentures:  
Satellite Corporate Services Pvt. Ltd.  
B-302, Sony Apartment,  
Opp. St. Jude High School,  
90 Feet Road, Jarimari, Sakinaka,  
Mumbai – 400072.

**STATUTORY AUDITORS:**

Walker Chandiok & Co LLP  
Chartered Accountants  
7<sup>th</sup> Floor, Block III, White House,  
Kundan Bagh, Begumpet,  
Hyderabad – 500016, India

19<sup>th</sup> Annual General Meeting of Jain Sons Finlease Limited will be held on Thursday, the 25-May-2017 at 3:00pm at 1002, 10<sup>th</sup> Floor, A Block, The Platina, Gachibowli, Hyderabad – 500032, Telangana, India

**REGISTERED OFFICE:**

1002, 10<sup>th</sup> 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

**CORPORATE OFFICE:**

13C, 6<sup>th</sup> Floor, Techniplex-II IT Park,  
Off. Veer Savarkar Flyover,  
Goregaon (West), Mumbai – 400062  
Tel: 91-22-6195 2700; Fax: 91-22-6195 2702

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**NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of Jain Sons Finlease Limited will be held on Thursday, the 25-May-2017 at 3:00pm at the Registered Office of the company at 1002, 10<sup>th</sup> Floor, A Block, The Platina, Gachibowli, Hyderabad – 500032, Telangana, India, to transact the following business:

**ORDINARY BUSINESS:**

1. **Adoption of Audited Financial Accounts for the financial year ended 31-Mar-2017:**  
To receive, consider and adopt the Audited Financial Accounts of the company for the financial year ended 31-Mar-2017 together with the reports of the Directors' and Auditors' thereon.
2. **Declaration of final Dividend:**  
To declare final dividend on non-cumulative compulsorily convertible preference shares at the rate of 0.001% per annum for the financial year ended 31-Mar-2017.
3. **Re-appointment of Mr. Anurag Agrawal, Director of the company, who retires by rotation:**  
To appoint a Director in place of Mr. Anurag Agrawal (DIN: 02385780), who retires by rotation and being eligible, offers himself for re-appointment.
4. **Appointment of Walker Chandiook & Co. LLP (having Firm Registration Number: 001076N), Statutory Auditors and fixing of their remuneration:**  
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 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of Walker Chandiook & CO. LLP, Chartered Accountants (having Firm Registration Number: 001076N) as Statutory Auditors of the company from the conclusion of this Annual General Meeting till the conclusion of next Annual general meeting of the company be and is hereby confirmed by the members of the company 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 Auditors.

**RESOLVED FURTHER THAT** the Board of Directors and Mr. Nitin Agrawal, Dy. CEO & CFO and 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."

**SPECIAL BUSINESS:**

5. **Regularisation of appointment of Mr. Akbar Khan, Additional (Executive) Director & CEO of the company as an Executive Director & CEO:**

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

**"RESOLVED THAT** pursuant to Sections 152 and 160 of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and such other

applicable provisions, rules as may be applicable (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. Akbar Khan (holding DIN: 07657205), whose term of office as an Additional (Executive) Director, pursuant to erstwhile Section 260 of the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of an Executive Director & CEO, be and is hereby appointed as an Executive Director & CEO of the company.

**RESOLVED FURTHER THAT** the Board of Directors and 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. Revision in Remuneration of Mr. Akbar Khan as an Executive Director & CEO of the company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the 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 of Mr. Akbar Khan, as an Executive Director & CEO of the company w.e.f. 01-Apr-2017 on such terms and conditions as mentioned in below table be and is hereby approved:

Sl. No.	Particulars	Composition
1	Fixed Salary	Rs. 72,00,000/-
2	Performance linked variable pay	upto 50% of fixed salary
3	Mediclaime 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. Akbar Khan, as an Executive 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 and Mr. Anurag Agrawal, Director of the company be and are hereby severally authorised to issue a letter for 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** the Board of Directors and 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.”

**7. Regularisation of appointment of Mr. Arvind Kodikal, Additional (Nominee) Director of the company as a Nominee Director:**

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

**“RESOLVED THAT** pursuant to Sections 152 and 160 of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and such other applicable provisions, rules as may be applicable (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. Arvind Kodikal (holding DIN: 07623915), whose term of office as an Additional (Nominee) Director, pursuant to erstwhile Section 260 of the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Nominee Director, be and is hereby appointed as a Nominee Director of the company.

**RESOLVED FURTHER THAT** the Board of Directors and 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.”

**8. Regularisation of appointment of Mr. Aleem Remtula, Additional (Nominee) Director of the company as a Nominee Director:**

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

**“RESOLVED THAT** pursuant to Sections 152 and 160 of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and such other applicable provisions, rules as may be applicable (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. Aleem Remtula (holding DIN: 02872107), whose term of office as an Additional (Nominee) Director, pursuant to erstwhile Section 260 of the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Nominee Director, be and is hereby appointed as a Nominee Director of the company.

**RESOLVED FURTHER THAT** the Board of Directors and 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.”

**9. Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company:**

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

**“RESOLVED THAT** consent of the members of the company be and is hereby accorded pursuant to section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the company to pledge, mortgage and/or charge in all or any part of the moveable or immovable properties of the company and the whole or part of the undertaking of the company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the company and the whole of the undertaking of the company to or in favour of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the company or any third party in respect of such borrowings provided that the maximum extent of the indebtedness secured by the properties of the company does not exceed Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) at any time.

**RESOLVED FURTHER THAT** the Board of Directors and Mr. Nitin Agrawal, Dy. CEO & CFO and 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.”

**10. Borrowing Limits under section 180(1) (c) of the Companies Act, 2013:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorised persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the company’s bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of Rs. 500,00,00,000/- (Rupees Five Hundred Crore only).

**RESOLVED FURTHER THAT** the Board of Directors and Mr. Nitin Agrawal, Dy. CEO & CFO and 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.”

**11. Approval of Deed of Assignment for transfer of loans in favour of Intellectash 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 ‘Deed of Assignment’ for assigning two existing loans (i.e. D.S.K. Mobile and Khyati Pharma) of the Company to Intellectash Microfinance Network Company Private Limited, a Company in which Mr. Anurag Agrawal, Director of the Company is interested as Director in the said Intellectash Microfinance Network Company Private Limited on such terms and conditions as mentioned in the said draft deed of assignment.

**RESOLVED FURTHER THAT** the draft ‘Deed of Assignment’, as placed before the meeting and initialled by the Chairman for the purpose of identifications be and is hereby approved.

**RESOLVED FURTHER THAT** Mr. Akbar Khan, Executive Director & CEO and Mr. Nitin Agrawal, Dy. CEO and Mr. Sourabh Mantri, AVP-Accounts & Admin and Mr. Chirag Desai, Company Secretary of the Company, be and are severally hereby authorized to sign and execute the said Deed of Assignment and all such papers, writings, documents 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** the certified true copy of resolution shall be furnished to such authority as may be required from time to time.”

By Order of the Board of Directors

  
Chirag Desai

Company Secretary  
(Membership No.: A22880)

Mumbai, 24-May-2017

**Registered Office:**

1002, 10<sup>th</sup> 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 in respect of special business is annexed hereto and forms part of this notice.
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. Relevant documents referred to in the accompanying Notice and the statement are open for inspection by the members at the Registered Office of the company during work hours upto the date of Meeting.
4. 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.
5. Members holding shares in physical form are requested to notify immediately any change in their address to the company.
6. The Register of Directors' and Key Managerial Personnel's 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 work hours upto the date of 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 12 of the accompanying Notice:

**Item No. 5 - Regularisation of Appointment of Mr. Akbar Khan as an Executive Director & CEO of the company:**

Mr. Akbar Khan holds a MBA degree from the London Business School. He is a Chartered Accountant, having qualified as a member of the Institute of Chartered Accountants in England and Wales. He also holds a BA with First Class in Economics from the Mumbai University.

Mr. Akbar Khan comes with 22 years of experience in the business management, deal origination, transaction structuring and execution and relationship management and spent most of his career in the financial service sector.

Prior to joining the company, he has worked at General Electric where he was a member of the South Asia Leadership team and he was responsible for driving key strategic initiatives and M&A transactions in South Asia and the Middle East.

Based on the recommendation of the members of the Nomination and Remuneration Committee, the Board of Directors of the company has appointed Mr. Akbar Khan as an Additional (Executive) Director & CEO of the company for a period of 3 years w.e.f. 24-May-2017 subject to approval of the members of the company on such terms and conditions as mentioned below:

Sl.	Particulars	Composition
1	Fixed Salary	Rs. 65,00,000/- 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 33% of fixed salary
3	Mediclaime 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.

Further, pursuant to the provisions of section 161 of the Companies Act, 2013, Mr. Akbar Khan holds office as Additional (Executive) Director of the Company upto the date of this Annual General Meeting. The Company has received a notice along with requisite deposit from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Executive Director. Further, he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to as an Executive Director of the company.



The Board of Directors recommend the Special Resolution respectively as set out at item no. 5 of the notice for approval of the Members.

Mr. Akbar Khan is not holding any Directorship in other listed company and any shares in this company or any other company. Except, Mr. Akbar Khan, being appointee, none of the Directors, Key Managerial Personnel of the company or their relatives are concerned or interested in the said resolution.

**Item No. 6 – Revision in remuneration of Mr. Akbar Khan as an Executive Director & CEO of the company:**

Mr. Akbar Khan was appointed as a Chief Executive Officer of the Company w.e.f. 07-Nov-2016 and thereafter was appointed as an Additional (Executive) Director of the company w.e.f. 24-May-2017. Mr. Akbar Khan holds a MBA degree from the London Business School. He is a Chartered Accountant, having qualified as a member of the institute of Chartered Accountants in England and Wales. He also holds a BA with First Class in Economics from the Mumbai University.

Mr. Akbar Khan comes with 22 years of experience in the business management, deal origination, transaction structuring and execution and relationship management and spent most of his career in the financial service sector.

Prior to joining the company, he has worked at General Electric where he was a member of the South Asia Leadership team and he was responsible for driving key strategic initiatives and M&A transactions in South Asia and the Middle East.

Based on recommendation of the members of the Nomination and Remuneration Committee, the Board of Directors of the company has revised the remuneration of Mr. Akbar Khan, Executive Director & CEO of the company w.e.f. 01-Apr-2017 for the remaining tenure of his appointment, subject to approval of the members of the company, as mentioned herein below:

Sl.	Particulars	Composition
1	Fixed Salary	Rs. 72,00,000/- 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 salary
3	Mediclaime 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 of Directors recommends the Special Resolution respectively as set out at item no. 6 of the notice for approval of the Members.

Mr. Akbar Khan is not holding any Directorship in other listed company and any shares in this company or any other company. Except, Mr. Akbar Khan, being appointee, none of the Directors, Key Managerial Personnel of the company or their relatives are concerned or interested in the said resolution.

**Additional Information for Item Nos. 5&6:**

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-2017:</u> EPS (basic): Rs.4.74 per share EPS (diluted): Rs.2.41 per share Total Revenues: Rs.45,30,37,960/- Profit After Tax: Rs.5,20,48,825/-
5	Foreign investments or collaborations, if any	Rs 10,00,00,000/- by Michael and Susan Dell Foundation; Rs 40,00,00,015.04/- by ON Mauritius Rs 18,00,00,022.92/- by DWM (International) Mauritius Ltd Rs. 9,00,00,011.46/- Triodos SICAV II Triodos Microfinance Fund Rs. 9,00,00,011.46/- Triodos Custody B.V. INZ. Triodos Fair Share Fund

**II. Information about the appointee:**

1	Background details	Mr. Akbar Khan comes with 22 years of experience in the business management, deal origination, transaction structuring and execution and relationship management and spent most of his career in the financial service sector.  Prior to joining the company, he has worked at General Electric where he was a member of the South Asia Leadership team and he was responsible for driving key strategic initiatives and M& A transactions in South Asia and the Middle East.
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2	Past Remuneration	Fixed Salary: Rs. 65,00,000/- Performance linked variable pay: upto 33% of the fixed amount
3	Recognition or awards	Mr. Akbar Khan 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 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. 72,00,000/- 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 be with respect to the country of his origin)	At par with the industry standards in which the company operates
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

**Item No. 7 – Appointment of Mr. Arvind Kodikal as a Nominee Director:**

Mr. Arvind Kodikal was appointed as Additional (Nominee) Director of the company, as a nominee of Triodos Custody B.V. INZ, Triodos Fair Share Fund (TFSF) and Triodos SICAV II Triodos Microfinance Fund (TMF) w.e.f. 24-May-2017. Mr. Arvind Kodikal holds Masters in Financial Management from Rotterdam School of Management, Erasmus University.

He is presently the senior investment officer at a leading sustainability development focused bank with responsibilities of sourcing, analysing, executing and monitoring private equity and debt transactions within SME/Microfinance and Non-banking finance entities. He is also a member of the Triodos Asian emerging markets investments committee and hold board positions in investee companies. He is specialized in establishing foreign investor structures, impact investment, relationship management and micro-financing. He is also a member of the investment committee for the Asian region of TIM Emerging Markets. He also worked on creating South Asian strategy for the Microfinance group funds, identifying projects for investments.

Pursuant to the provisions of section 161 of the Companies Act, 2013, Mr. Arvind Kodikal holds office as such upto the date of this Annual General Meeting. The company has received a notice along with requisite deposit from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Nominee Director.

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

Except, Mr. Arvind Kodikal, being an appointee, none of the Directors, Key Managerial Personnel of the company or their relatives are concerned or interested in the said resolution.

**Item No. 8 – Appointment of Mr. Aleem Remtula as a Nominee Director:**

Mr. Aleem Remtula was appointed as Additional (Nominee) Director of the company, as a nominee of DWM (International) Mauritius Ltd. w.e.f. 24-May-2017. Mr. Aleem Remtula holds MBA from the Harvard Business School and an A.B. in economics and finance from Princeton University.

Mr. Aleem Remtula is Managing Director in the Private Equity practice at Developing World Markets, an emerging and frontier markets impact investment manager. He has been actively involved with the firm's investment in SMILE Microfinance Ltd and JSC MFO Crystal. He has also spent 10 years in double bottom line and impact investing with firms like the New York city investment fund, bridges ventures and living cities before joining DWM.

Pursuant to the provisions of section 161 of the Companies Act, 2013, Mr. Aleem Remtula holds office as such upto the date of this Annual General Meeting. The company has received a notice along with requisite deposit from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Nominee Director.

The Board of Directors hereby recommends the Ordinary Resolution as set out at item no. 8 of the notice for approval of the Members.

Except, Mr. Aleem Remtula, being an appointee, none of the Directors, Key Managerial Personnel of the company or their relatives are concerned or interested in the said resolution.

**Item No. 9 & 10 – Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the company and Borrowing Limits under sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013:**

In order to meet the future requirements of funds, which may arise on account of the plans/programs/business, the company may require further loans/borrowings from time to time from the financial institutions, banks and other entities. Further, to secure such borrowings, the company may be required to create charge/mortgage/hypothecation on all or any of its movable and/or immovable assets, both present and future as may be required from time to time.

In terms of the provisions of Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013, the company needs to take approval of members of the company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the company to secure the money(ies) borrowed from the financial institutions, banks and other financial entities from time to time. Hence it is proposed to take your approval for a limit upto Rs. 500,00,00,000/- (Rupees Five Hundred Crore only).

The Board of Directors hereby recommends the Special Resolutions as set out at item nos. 9 & 10 of the notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the company or their relatives are concerned or interested in the said resolution.

**Item No. 11 – Approval of Deed of Assignment for transfer of loans in favour of Intellecash 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 meet the criteria as mentioned in the Companies (Meeting of Board and its Powers) Rules, 2014, prior approval of the shareholders by way of a 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.

In the light of provisions of the Companies Act, 2013 and upon recommendation of the members of Audit & Compliance Committee, the Board of Directors of your Company in their meeting held on 24-May-2017, had approved the Deed of Assignment, to be entered into with Intellecash 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	Capital Advisory Contract
1	Name of the Related Party	Intellecash 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 in Intellecash Microfinance Network Company Private Limited
4	Nature, Material Terms, Monetary value and particulars of the contract or arrangement	Transfer of two existing loans of the Company as mentioned below to Intellecash Microfinance Network Company Private Limited at a consideration of Rs. 12,04,956/- (Rupees Twelve Lakhs Four Thousand Nine Hundred and Fifty-Six only) and on such a terms and conditions as mutually agreed between the parties and as mentioned in Deed of Assignment:

		<p>a. Loan of Rs. 5,00,000/- given to D.S.K. Mobile on such terms &amp; conditions as mentioned and agreed in the Facility Agreement, entered between the Company and D.S.K. Mobile on 31-Mar-2017;</p> <p>b. Loan of Rs. 10,00,000/- given to Khyati Pharma on such terms &amp; conditions as mentioned and agreed in the Facility Agreement, entered between the Company and Khyati Pharma on 31-Mar-2017.</p>
5	Any other Information relevant or important for the members to take a decision on the proposed resolution	The Deed of Assignment is entered on arm's length basis and all factors relevant to the respective deed have been considered by the Board. The Copy of the above-mentioned Deed of Assignment shall be available for inspection by the members at the Registered Office of the Company during the normal business hours (10 am to 6 pm) on all working days (except Saturdays) upto the date of Annual General Meeting of the Company.

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. 11 shall be entitled to vote on this special resolution.

The Board of Directors hereby recommends the Special Resolution as set forth in item No. 11 for approval of the Members.

Except the said interested Director, no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.



By Order of the Board of Directors

  
Chirag Desai

Company Secretary  
(Membership No.: A22880)

Mumbai, 24-May-2017

**Registered Office:**  
1002, 10<sup>th</sup> 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 Nineteenth Annual Report of the company together with the Audited Statement of Accounts for the year ended 31-Mar-2017:

### 1. Financial Results:

Particulars	Current Year ended 31-Mar-2017 (in Rs.)	Current Year ended 31-Mar-2016 (in Rs.)
Revenue from Business Operations	42,68,43,735	30,81,08,706
Other Income	2,61,94,225	54,36,456
<b>Total Revenues</b>	<b>45,30,37,960</b>	<b>31,35,45,162</b>
Less: Expenses	16,29,38,556	13,67,72,126
<b>Profit before Interest and Depreciation</b>	<b>29,00,99,404</b>	<b>17,67,73,036</b>
Less Interest	21,19,23,202	16,08,93,121
<b>Profit before Depreciation</b>	<b>7,81,76,202</b>	<b>1,58,79,915</b>
Less: Depreciation	21,96,665	18,22,368
<b>Profit after Depreciation and Interest</b>	<b>7,59,79,537</b>	<b>1,40,57,547</b>
Less: Current Income Tax	1,90,41,753	59,80,815
Less: Deferred tax benefits	48,88,959	(39,67,838)
Less: Tax of earlier years	0	19,48,920
<b>Net Profit after Tax</b>	<b>5,20,48,825</b>	<b>1,00,95,650</b>
Amount transferred to Statutory Reserve	1,04,09,765	20,19,130
Balance carried to Balance Sheet	4,16,39,060	80,76,520
Earnings per share (Basic)	4.74	0.93
Earnings per share (Diluted)	2.41	0.62


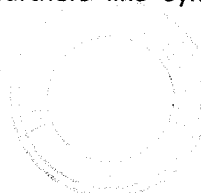
### 2. Dividend:

Your Directors have pleasure in recommending payment of dividend at the rate of 0.001% per annum to the non-cumulative preference shareholders of the company amounting to Rs. 3385/-. The dividend, if approved by the members of the company, will be paid to those preference shareholders whose name appears on the Register of Preference Shareholders as on 24-May-2017.

### 3. Review of Business Operations and Future Prospects:

Intellegrow continues to spot deserving Ventures and support their growth funding with team's ability to structure deals. Intellegrow mainly focusses on small-corporates in their early-stages of growth. Much before startups became a buzzword, Intellegrow has been funding the early-stage businesses. The company focus on ventures which would not get debt from traditional sources. The Indian early-stage ecosystem has been starved of quality debt providers who could offer cash-flow based lending. Intellegrow pioneered this concept with an impact thesis. Venture debt has emerged as an attractive asset class for startups and SMEs looking for financing without having to dilute equity stakes.

In FY17, Intellegrow launched India's first SME Debt Pool Program in collaboration with Geneva-based leading global investment company Symbiotics to bring international financing to small corporates and medium enterprises (SME) in the country through innovative financing structure. This collaboration is aimed at supporting social enterprises in India which find it difficult to raise sufficient debt facilities to meet their funding needs. This launch is a part of Intellegrow's thrust in fostering innovative financing to SMEs in collaboration with international partners like Symbiotics. This

innovative instrument is very useful for capital starved Impact SMEs often known as “missing middle” as they are largely under-banked. This funding is especially helpful in funding both the working capital needs and also the capacities of growing SMEs.

The company has doubled the new client acquisition with 66 new clients added to the portfolio compared to 29 & 31 added in last 2 years respectively. Also, there has been significant increase in disbursement volumes to Rs.266 crore from our Balance Sheet compared to Rs.130 crore & Rs.132 crore respectively in last 2 years. In FY17, Impact debt pool program was launched with two Structured Finance transactions booked in H1 and H2 respectively totalling to Rs.76 crore (USD11mn) which enhanced AUM by Rs.62 crore. This led to increase in the Asset Under Management (AUM) from Rs.154 crore to Rs.314 crore (~USD47mn). Despite slowdown due to Demonetization, Profit after Tax rose to Rs.5.2cr showing a growth of ~5x compared to last Financial Year.

Average monthly disbursements from own Balance Sheet has doubled over last two years from Rs.10.8cr and Rs.11.0cr respectively to Rs.22.1cr. Average new client acquisition per month has doubled from 3 in last two years to 6 this year. The company continue to maintain a disbursement mix to new and old clients and tranche out disbursements to new clients. Average ticket size is Rs.2.01cr with a range of Rs.0.2cr on the lower side and Rs.7.0cr on the higher side, excluding outliers like partnership loans and receipts discounting.

In FY17, Operating profit tripled, mainly on economies of scale with 44% growth in revenue while opex grew 31%. With addition of Rs.51cr primary equity also helped improve float income and reduce leverage.

**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.


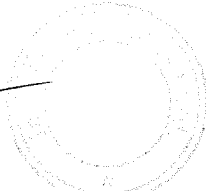
**d. Employees Stock Option plan:**

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 58,49,966 Series C Compulsorily Convertible Preference Shares of Rs 10/- each at Rs. 87.18/- per share to the following persons on private placement basis on 06-May-2016:

Sl. No.	Name & Occupation of Allottees	Address of the Allottees	Number of shares allotted
1	ON Mauritius Occupation: Business	C/o. International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene – 72201, Mauritius	17,20,578



2	DWM (International) Mauritius Limited Occupation: Business	Suites 340-345 Barkly Wharf, Le Caudan Waterfront, P.O. Box 1070, Port Louis, Republic of Mauritius	20,64,694
3	Triodos SICAV II Triodos Microfinance Fund Occupation: Business	11-13, Boulevard De La Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg	10,32,347
4	Triodos Custody B.V. INZ. Triodos Fair Share Fund Occupation: Business	Utrechtseweg 60, 3704, HE Zeist, The Netherlands	10,32,347
<b>Total</b>			<b>58,49,966</b>

**f. Authorised Share Capital:**

The Authorised Share Capital of the company is 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.

**g. Paid-up share Capital:**

During the year under review, the company has issued and allotted 58,49,966 (Fifty Eight Lakhs Forty Nine Thousand Nine Hundred and Sixty Six) Series C Compulsorily Convertible Preference Shares of Rs. 10/- each at a premium of Rs. 77.18/- each to foreign entities on 06-May-2016. As on 31-Mar-2017, the paid-up share capital of the company is Rs. 44,81,87,940/- (Rupees Forty Four Crore Eighty One Lakhs Eighty Seven Thousand Nine Hundred and Forty 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) Series B1 Compulsory Convertible Preference Shares of Rs. 100/- (Rupees One Hundred only) each; 24,99,948 (Twenty Four lakhs Ninety Nine Thousand Nine Hundred and Forty Eight) Series B2 Compulsory Convertible Preference Shares of Rs. 100/- (Rupees One Hundred only) each and 58,49,966 (Fifty Eight Lakhs Forty Nine Thousand Nine Hundred and Sixty Six) Series C Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten 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, Mr. Anurag Agrawal (DIN: 02385780), Director of the company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

**b. Appointment of Directors:**

During the year under review, the Board of Directors of the company has appointed Mr. Akbar Khan (DIN: 07657205), as an Executive Director & CEO w.e.f. 24-May-2017 for a period of 3 years; Mr. Arvind Kodikal (DIN: 07623915), as a Nominee Director and Mr. Aleem Remtula (DIN: 02872107), as a Nominee Director subject to the approval of the shareholders in their Annual General Meeting to be

held on 25-May-2017. The company has received notices along with requisite deposit from a member of the company under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Directors of the company. Your Board recommends their appointment.

**c. Cessation of Directors:**

During the year, Mr. Sanjib Kumar Jha has resigned from the post of Director & CEO from the Board of the company on 30-Sep-2016. The Board places on record its appreciation for his valuable contribution made during his tenure as Director & CEO 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 disqualified 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 Board has carried out an annual evaluation of its own performance, the directors individually (including Chairman). The feedback of the Independent Directors on their review of the performance of non-independent directors and the Board as whole, the performance of the Chairman of the company was made based on the questionnaire to evaluate the performances of executive, 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.

**g. Key Managerial Personnel (KMP):**

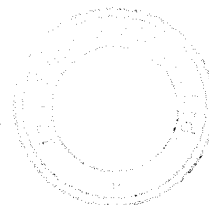
During the year, Mr. Akbar Khan was appointed as Chief Executive Officer of the company w.e.f. 07-Nov-2016.

**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. 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.

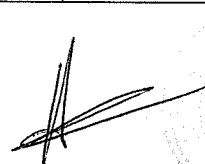
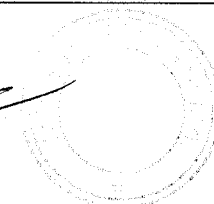
The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. The intervening gap between the two consecutive meetings was within the period as prescribed under the Companies Act, 2013.

As on date, the Board is comprised of nine directors viz:

- Mr. Vineet Chandra Rai - Chairman
- Mr. Rakesh Rewari - Independent Director
- Ms. Bhama Krishnamurthy - Independent Director
- Mr. Pradeep Pursnani - Nominee Director
- Ms. Anuradha Ramachandran - Nominee Director
- Mr. Anurag Agrawal - Director
- Mr. Arvind Kodikal - Additional (Nominee) Director
- Mr. Aleem Remtula - Additional (Nominee) Director
- Mr. Akbar Khan - Additional (Executive) Director & CEO

The Board met six (6) 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	06-May-2016	13C, 6 <sup>th</sup> Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Mr. Pradeep Pursnani 5. Ms. Anuradha Ramachandran 6. Mr. Anurag Agrawal 7. Mr. Sanjib Kumar Jha
2	26-May-2016	Radisson Hotel, Hyderabad Hitech City, Gachibowli, Miyapur Road, Hyderabad- 500032	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Mr. Pradeep Pursnani 5. Ms. Anuradha Ramachandran 6. Mr. Anurag Agrawal 7. Mr. Sanjib Kumar Jha
3	20-Sep-2016	13C, 6 <sup>th</sup> Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Mr. Pradeep Pursnani 5. Ms. Anuradha Ramachandran 6. Mr. Anurag Agrawal

4	11-Nov-2016	13C, 6 <sup>th</sup> Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	<ol style="list-style-type: none"> <li>1. Mr. Vineet Chandra Rai</li> <li>2. Mr. Rakesh Rewari</li> <li>3. Ms. Bhama Krishnamurthy</li> <li>4. Ms. Anuradha Ramachandran</li> <li>5. Mr. Anurag Agrawal</li> </ol>
5	15-Dec-2016	13C, 6 <sup>th</sup> Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	<ol style="list-style-type: none"> <li>1. Mr. Vineet Chandra Rai</li> <li>2. Mr. Rakesh Rewari</li> <li>3. Ms. Bhama Krishnamurthy</li> <li>4. Mr. Pradeep Pursnani</li> <li>5. Ms. Anuradha Ramachandran</li> <li>6. Mr. Anurag Agrawal</li> </ol>
6.	02-Mar-2017	13C, 6 <sup>th</sup> Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	<ol style="list-style-type: none"> <li>1. Mr. Vineet Chandra Rai</li> <li>2. Mr. Rakesh Rewari</li> <li>3. Ms. Bhama Krishnamurthy</li> <li>4. Mr. Pradeep Pursnani</li> <li>5. Ms. Anuradha Ramachandran</li> <li>6. Mr. Anurag Agrawal</li> </ol>

#### 10. Committees of the Board:

During the year under review, in accordance with the Companies Act, 2013, the Board had re-constituted below committees upon the resignation of Mr. Sanjib Kumar Jha, Director & CEO of the company w.e.f. 30-Sep-2016.

1. Asset Liability Management Committee;
2. Corporate Governance and Executive Committee;
3. Product, Process, Credit Policy and Grievance Redressal Committee;

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 Meetings	Composition of Committees during the FY 2017	Number of Meetings held during the FY 2017	Date of Meetings held during the FY 2017
1	Audit and Compliance Committee	<ol style="list-style-type: none"> <li>1. Mr. Rakesh Rewari</li> <li>2. Ms. Bhama Krishnamurthy</li> <li>3. Mr. Pradeep Pursnani</li> </ol>	5	26-May-2016 20-Sep-2016 11-Nov-2016 15-Dec-2016 02-Mar-2017
2	Nomination and	<ol style="list-style-type: none"> <li>1. Mr. Rakesh Rewari</li> <li>2. Ms. Bhama Krishnamurthy</li> <li>3. Mr. Pradeep Pursnani</li> </ol>	5	26-May-2016 20-Sep-2016 11-Nov-2016



	Remuneration Committee	4. Mr. Anurag Agrawal		15-Dec-2016 02-Mar-2017
3	Asset Liability Management Committee	1. Mr. Vineet Chandra Rai 2. Ms. Bhama Krishnamurthy 3. Ms. Anuradha Ramachandran	4	26-May-2016 20-Sep-2016 15-Dec-2016 02-Mar-2017
4	Product, Process, Credit Policy and Grievance Redressal Committee	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Anuradha Ramachandran	2	26-May-2016 02-Mar-2017
5	Risk Committee	1. Mr. Rakesh Rewari 2. Ms. Anuradha Ramachandran 3. Mr. Anurag Agrawal	3	26-May-2016 20-Sep-2016 15-Dec-2016
6.	Corporate Governance and Executive Committee	1. Mr. Vineet Chandra Rai 2. Ms. Bhama Krishnamurthy 3. Mr. Anurag Agrawal	4	08-Jun-2016 26-Sep-2016 19-Dec-2016 03-Feb-2017
7	Corporate Social Responsibility Committee	1. Mr. Vineet Chandra Rai 2. Ms. Bhama Krishnamurthy 3. Mr. Pradeep Pursnani 4. Ms. Anuradha Ramachandran	1	02-Mar-2017

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

#### 11. Audit and Compliance Committee and its Composition:

As on 31-Mar-2017, Audit and Compliance Committee comprises of following members:


- 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 and Compliance Committee.

The Audit and Compliance Committee of the Board reviews the reports, which are 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:

The company has a Vigil Mechanism to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit and Compliance Committee in the exceptional cases. The company also provides direct access to the Chairman of the Audit and Compliance Committee on reporting issues concerning the interests of employees and the company. We affirm that during the financial year 2016-17, no employee or director was denied access to the Audit and Compliance 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 2016-17.

**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 were no qualifications, reservations or adverse remarks made by the Statutory Auditors or by Secretarial Auditor in their respective reports. However, following are the observations from the Statutory Auditor and Secretarial Auditor:

Sl	Auditor’s Observation	Management Response
1	Delay in submission of following forms with Registrar of Companies (RoC): <ul style="list-style-type: none"> <li>• Form CHG-1 for the loan obtained from IFMR;</li> <li>• Form INC-22 for shifting of registered office within Hyderabad.</li> </ul>	<ul style="list-style-type: none"> <li>• The delay in filing Form CHG-1 was due to technical issue on affixing DSC in the said form from IFMR side;</li> <li>• Form INC-22 is not getting uploaded despite efforts due to following two reasons:                             <ul style="list-style-type: none"> <li>➤ Split of Andhra Pradesh and Telangana state not updated in RoC database managed by TCS. Common problem faced by all companies.</li> <li>➤ Outstanding compounding applications in NCLT pending for approval in ROC system blocked loading of this form online.</li> </ul>                             After the above two issues were resolved, filing went through.                         </li> </ul>



2	Non-submission of intimation of payment date for interest due and delay in submission of certificate for payment of interest due to Symbiotic on 13-May-2016 with BSE Limited under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	We contest this requirement since the submission is done at the time of subscription to securities and it does not need to be done if contractual payments are being made.
3	Delay in filling ALM -2 return for the half year ended 30-Sep-2016	RBI COSMOS website where filing is done was showing login error. We escalated it to DNBS officials, and obtained fresh user specs and then uploaded. Therefore, this was procedural in nature.
4	Delay in payment of statutory dues	<ul style="list-style-type: none"> <li>• Due to ongoing Interest reconciliation with Bellwether, the TDS payment on interest payable to Bellwether was delayed by 12 days – but done once the recon was completed. This is operational in nature.</li> <li>• Provident fund payment of Rs. 5,625 on account of a specific employee arising on F&amp;F settlement where the reliving date was changed due to business reason. This is also operational in nature.</li> </ul>

**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 statement 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 statement 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:**

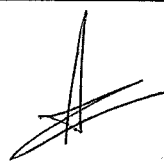
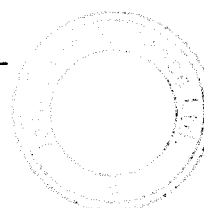
There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the company or will have bearing on company's operations in future.

**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 is 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)	
	2016-17	2015-16
Total Expenditure in Foreign Currency	15,381	5,08,712.00
Total Earnings in Foreign Currency	Nil	Nil

**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-2017, 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:**

As on 31-Mar-2017, Corporate Social Responsibility (CSR) Committee of the Board comprises of the following members:

Sl. No.	Name of Member	Status
1	Mr. Vineet Chandra Rai	Chairman
2	Ms. Bhama Krishnamurthy	Independent Director
3	Mr. Pradeep Pursnani	Nominee Director
4	Ms. Anuradha Ramachandran	Nominee Director

The company has closed its books of accounts for the financial year ending 31-Mar-2017 with the net profit of Rs.5,20,48,825/-, the company has approved CSR budget of Rs. 13,50,000/-. The company shall allocate the CSR expenditure in line with CSR initiatives as details in the CSR policy during the year FY2017-18.

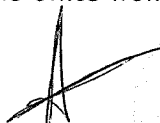
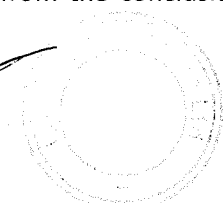
**23. Public Deposits:**

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:**

The company has received letter from M/s. Walker Chandiok & Co LLP, Chartered Accountants to the effect that they are willing to be re-appointed as Statutory Auditors of the company and if re-appointed then, their appointment 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 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 next Annual General Meeting of the company to audit financial statements of the company.

### 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 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 system which is commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors 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 Auditor:

The company has appointed 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 monthly, quarterly and half yearly basis to the Audit and Compliance 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.

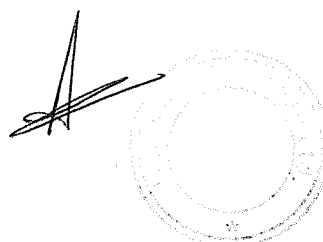
### 30. Risks and Areas of Concern:

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 suggest 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 facility availed by the company, details of which is as given below:

Facility	Ratings	Amount (Rs. In crore)
Non-Convertible Debenture issue	CARE BBB- (Triple B Minus)	100



### 32. Capital Adequacy:

Your company is well capitalized and has capital adequacy ratio of 40.01% as at 31- Mar-2017 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 has shifted 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)	 Akbar Khan Executive Director & CEO (DIN: 07657205)
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Place: Mumbai  
Date: 24-May-2017

## Annexure-A

## 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	-
Ms. Anuradha Ramachandran	-
Mr. Pradeep Pursnani	-
Mr. Anurag Agrawal	-

Executive Directors	Ratio to median remuneration
Mr. Sanjib Kumar Jha (upto 30-Sep-2016)	9.34

- 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	-
Ms. Anuradha Ramachandran	-
Mr. Pradeep Pursnani	-
Mr. Anurag Agrawal	-
Mr. Sanjib Kumar Jha, Director & CEO (upto 30-Sep-2016)	9%
Mr. Akbar Khan, Chief Executive Officer (w.e.f. 07-Nov-2016)	-
Mr. Nitin Agrawal, Chief Financial Officer	19%
Mr. Chirag Desai, Company Secretary	22%

- c. The percentage increase in the median remuneration of employees in the financial year: 31%
- d. The number of permanent employees on the rolls of company as on 31-Mar-2017:
- e. 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.
- f. 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 32%.

Average percentile increase in the managerial remuneration is 14%.

Justification:

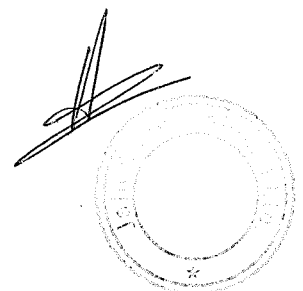
- a. Hiring of low cost staff to supplement growth in FY17 has brought the median down
- b. To keep in line with business and growth, there is increase in percentile.

**g. 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.

**h. 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

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## **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:**

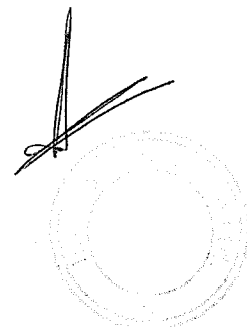
1. The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors.
2. The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration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

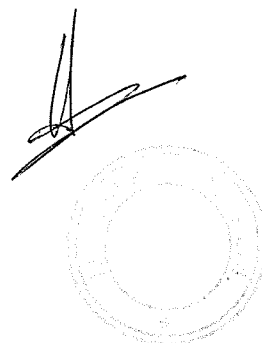
**"Directors"** mean Directors of the Company.

**"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.

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

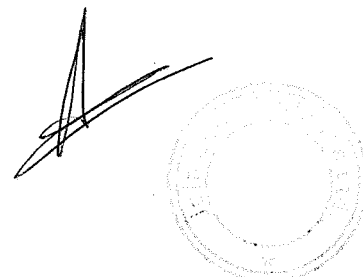
**1. Appointment Criteria and Qualifications**

- 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 31<sup>st</sup> 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.

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**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.

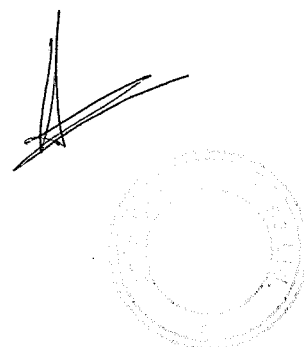
**5. Retirement**

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.

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## **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:**

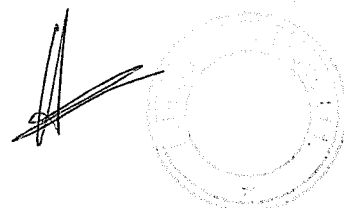
The duties of the Committee in relation to nomination matters include:

- 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.

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- 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.

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## 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.

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**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 tier 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.

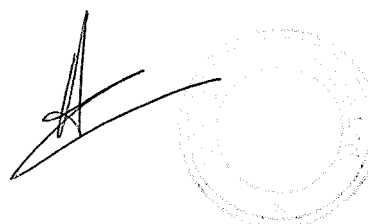
#### Remuneration

- 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.

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**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.



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**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.

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**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**

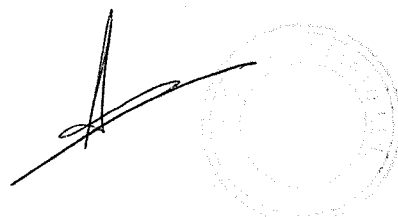
- g. To apply for loan and hypothecate book debts of the Company at such terms and conditions as may be decided by the committee from time to time within the borrowing powers delegated by Shareholders to the board and board to the Executive Committee (documented below).
- h. To apply for portfolio sell-down 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.

-x end of document x-


## 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	Intellectash Microfinance Network Company Private Limited Mr. Anurag Agrawal is director and shareholder in Intellectash Microfinance Network Company Private Limited
(b) Nature of contracts / arrangements / transactions	Term Loan Agreement dated 31-Aug-2016
(c) Duration of the contracts / arrangements / transactions	The duration of contract shall be for the period of two years commencing from 31-Aug-2016 to 10-Oct-2018
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Facility amount of Rs. 4,00,00,000/- sanctioned on following terms & conditions: <ul style="list-style-type: none"> <li>• Processing Fee: 1% of the Facility Amount;</li> <li>• Interest Rate: 17.70%</li> <li>• Four undated security cheques collected as security</li> </ul>
(e) Date(s) of approval of the Board	26-May-2016
(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	26-May-2016

2.ii.

(a) Name(s) of the related party and nature of relationship	Intellectash Microfinance Network Company Private Limited Mr. Anurag Agrawal is director and shareholder in Intellectash Microfinance Network Company Private Limited
(b) Nature of contracts / arrangements / transactions	Term Loan Agreement dated 28-Oct-2016
(c) Duration of the contracts / arrangements / transactions	The duration of contract shall be for the period of 3 years commencing from 28-Oct-2016 to 10-Mar-2019
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Facility amount of Rs. 2,00,00,000/- sanctioned on following terms & conditions: <ul style="list-style-type: none"> <li>• Processing Fee: 1% of the Facility Amount;</li> <li>• Interest Rate: 17.70%</li> <li>• Four undated security cheques collected as security</li> </ul>
(e) Date(s) of approval of the Board	26-May-2016
(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	26-May-2016

2.iii.

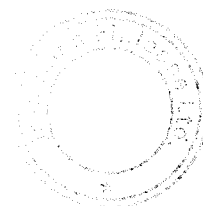
(a) Name(s) of the related party and nature of relationship	Intellectap Advisory Services Private Limited Mr. Vineet Chandra Rai is a shareholder in the said company.
(b) Nature of contracts / arrangements / transactions	Capital Advisory Contract dated 06-Feb-2017
(c) Duration of the contracts / arrangements / transactions	The duration of contract shall be for the period of one year commencing from 06-Feb-2017 to 05-Feb-2018
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	<p><u>Phase I – preparation of investor kit</u></p> <p>a) Refining of the existing business plan/financial model and preparatory work required to present Client to prospective investors.</p> <p>b) Compilation of Information Kit for investors that might include all or some of the following: Information Memorandum, Introductory Flyer, Financial Model and any other supporting documents and/or presentations as required for raising funds of Client.</p> <p><u>Phase II – Capital Advisory Services</u></p> <p>a) Identification of suitable investors, creating a long list of investors and short list of investors.</p> <p>b) Managing communication with all the investors that would include the investment pitch, deal structuring and negotiation support to the Company.</p>

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	<p>c) Assistance in due diligence by potential investors.</p> <p>d) Advice and execution of appropriate deal structuring as per the needs and expectations of the Company and accounting for investor feedback</p> <p>e) Assistance in drafting the term sheet and subscription agreement.</p> <p><b>Success Fee:</b></p> <p>i. Book value multiple less than 3.0x – the success fee shall be 1.5% of the Equity Investment amount committed by the investors towards primary issue of shares (exclusive of service tax).</p> <p>ii. Book value multiple less than 3.0x – the success fee shall be 2% of the Equity Investment amount committed by the investors towards primary issue of shares (exclusive of service tax).</p>
(e) Date(s) of approval of the Board	15-Dec-2016
(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	15-Dec-2016

2.iv.

(a) Name(s) of the related party and nature of relationship	<p>Intellicash Microfinance Network Company Private Limited</p> <p>Mr. Anurag Agrawal is director and shareholder in Intellicash Microfinance Network Company Private Limited</p>
(b) Nature of contracts / arrangements / transactions	Agreement for Purchase of assets
(c) Duration of the contracts / arrangements / transactions	The date of execution of Agreement is 03-Jul-2017
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	To transfer all furniture, fixtures and office equipment of the company at Rs.45lac to Rs.50lac depending on written down value of all assets, being transferred as on the transfer date
(e) Date(s) of approval of the Board	15-Dec-2016
(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	15-Dec-2016

**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 <sup>th</sup> Floor, A Block, The Platina, Gachibowli, Hyderabad – 500032, Telangana. Tel: 040 40300200; Fax: 040 40300275 Email id: <a href="mailto:chirag.desai@intellegrow.com">chirag.desai@intellegrow.com</a> Website: <a href="http://www.intellegrow.com">www.intellegrow.com</a>
5	Address of the Corporate office and contact details	13C, 6 <sup>th</sup> Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra. Tel: 022 61952700; Fax: 022 61952702 Email id: <a href="mailto:chirag.desai@intellegrow.com">chirag.desai@intellegrow.com</a> Website: <a href="http://www.intellegrow.com">www.intellegrow.com</a>
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	Satellite Corporate Services Pvt. Ltd. (For Non-Convertible Debentures) Category I Registrar to Issue & Share Transfer Agents B-302 Sony Apartment, Opp. St Jude High School, 90 Feet Road, Jarimari, Sakinaka, Mumbai-400072.

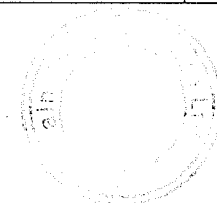
**II. Principal Business Activities of the company:**

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	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	0	1,00,000	1,00,000	0.91	0	-	-	-	(0.91)
(b) Central Govt.	0	0	0	-	0	0	0	-	-
(c) State Govts.	0	0	0	-	0	0	0	-	-
(d) Bodies Corp.	0	59,99,995	59,99,995	54.70	0	59,99,995	59,99,995	54.70	-
(e) Banks / FI	0	-	-	-	0	-	-	-	-
(f) Others .....	0	-	-	-	0	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>0</b>	<b>60,99,995</b>	<b>60,99,995</b>	<b>55.61</b>	<b>0</b>	<b>59,99,995</b>	<b>59,99,995</b>	<b>54.70</b>	<b>(0.91)</b>
<b>(2) Foreign</b>									
(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	-	-
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoters (A)</b>	<b>0</b>	<b>60,99,995</b>	<b>60,99,995</b>	<b>55.61</b>	<b>0</b>	<b>59,99,995</b>	<b>59,99,995</b>	<b>54.70</b>	<b>(0.91)</b>
<b>B. Public</b>									
<b>(1) Institutions</b>									
(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	-	-
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>(2) Non Institutions</b>									
(a) Bodies Corp.									
(i) Indian	0	10,00,000	10,00,000	9.12	-	8,80,593	8,80,593	8.03	(1.09)
(ii) Overseas	0	-	-	-	-	-	-	-	-
(b) Individuals*									
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	0	11,501	11,501	0.10	-	11,501	11,501	0.10	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	11,66,505	11,66,505	10.63	-	1,56,501	1,56,501	1.43	(9.21)
(c) Others - Foreign Companies	0	26,91,347	26,91,347	24.54	-	39,20,758	39,20,758	35.74	11.21
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>48,69,353</b>	<b>48,69,353</b>	<b>44.39</b>	<b>-</b>	<b>49,69,353</b>	<b>49,69,353</b>	<b>45.30</b>	<b>0.91</b>
<b>Total Public Shareholding(B)</b>	<b>0</b>	<b>48,69,353</b>	<b>48,69,353</b>	<b>44.39</b>	<b>-</b>	<b>49,69,353</b>	<b>49,69,353</b>	<b>45.30</b>	<b>0.91</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>									
	0	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>1,09,69,348</b>	<b>1,09,69,348</b>	<b>100.00</b>	<b>-</b>	<b>1,09,69,348</b>	<b>1,09,69,348</b>	<b>100.00</b>	<b>0.00</b>

## 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	59,99,995	55.47	0	59,99,995	55.47	0	0.00%
Vineet Rai	1,00,000	0.92	0	-	0.00	0	0.00%
<b>Total</b>	<b>60,99,995</b>	<b>56.39</b>	<b>0</b>	<b>59,99,995</b>	<b>55.47</b>	<b>0</b>	<b>0.00%</b>



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

Sl.	Name of shareholder	Shareholding			Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01-04- 16) / end of the year (31-03-17)	% of total shares of the company	No. of shares				% of total shares of the company	
1	Michael and Susan Dell Foundation	26,91,247	24.53	01-Apr-16					
		9,69,525	8.84	06-May-16	-17,21,722	Transfer	9,69,525	8.84	
2	Intellectash Microfinance Network Company Private Limited	10,00,000	9.12	31-Mar-17	-17,21,722	Transfer	9,69,525	8.84	
		0	0.00	01-Apr-16	-10,00,000	Transfer	0	0.00	
3	Nitin Agrawal	1,00,000	0.91	15-Dec-16	-10,00,000	Transfer	0	0.00	
		1,00,000	0.91	31-Mar-17	-10,00,000	Transfer	0	0.00	
4	Manoj Kumar Nambiar	1,00,000	0.91	01-Apr-16	-	Nil movemen t	1,00,000	0.91	
		75,001	0.68	31-Mar-17	-				
5	Atreya Rayaprolu	75,001	0.68	01-Apr-16	-75,001	Transfer	0	0.00	
		0	0.00	11-Nov-16	-75,001	Transfer	0	0.00	
6	Swati Rai	50,001	0.46	01-Apr-16	-50,001	Transfer	0	0.00	
		0	0.00	11-Nov-16	-50,001	Transfer	0	0.00	
7	Rajan Juneja	50,000	0.46	01-Apr-16	-50,000	Transfer	0	0.00	
		0	0.00	11-Nov-16	-50,000	Transfer	0	0.00	
8	Rushir Shah	44,001	0.40	01-Apr-16	-	Nil movemen t			
		44,001	0.40	31-Mar-17	-		44,001	0.40	
9	Pratik Mandvia	12,500	0.11	01-Apr-16	-	Nil movemen t			
		12,500	0.11	31-Mar-17	-		12,500	0.11	
10	Akshit Gupta	9,500	0.09	01-Apr-16	-	Nil movemen t			
		9,500	0.09	31-Mar-17	-		9,500	0.09	
10	Akshit Gupta	2,000	0.02	01-Apr-16	-	Nil movemen t			
		2,000	0.02	31-Mar-17	-		2,000	0.02	

v. Shareholding of Directors and KMPs

Sl.	Name of shareholder	Shareholding			Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during	
		No. of shares at the beginning (01-04- 16) / end of the year (31-03-17)	% of total shares of the company	No. of shares				% of total shares of the company	
1	Sanjib Kumar Jha	8,10,001	7.38	01-Apr-16					
		0	0.00	06-May-16	-5,80,590	Transfer	2,29,411	2.09	
		0	0.00	17-Oct-16	-2,29,411	Transfer	0	0.00	
2	Vineet Chandra Rai	1,00,000	0.91	31-Mar-17	-8,10,001	Transfer	0	0.00	
		0	0.00	01-Apr-16	-1,00,000	Transfer	0	0.00	
3	Nitin Agrawal	1,00,000	0.91	01-Apr-16	-1,00,000	Transfer	0	0.00	
		1,00,000	0.91	31-Mar-17	-1,00,000	Transfer	0	0.00	
4	Anurag Agrawal	1,00,000	0.91	01-Apr-16	-	Nil movemen t	1,00,000	0.91	
		25,001	0.23	31-Mar-17	-				
4	Anurag Agrawal	25,001	0.23	01-Apr-16	-25,001	Transfer	0	0.00	
		0	0.00	31-Mar-17	-25,001	Transfer	0	0.00	

V. Indebtedness:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,29,94,34,741	-	-	1,29,94,34,741
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,68,62,622	-	-	3,68,62,622
<b>Total (i+ii+iii)</b>	<b>1,33,62,97,363</b>	-	-	<b>1,33,62,97,363</b>
<b>Changes in indebtedness during the financial year</b>				
> Addition	1,20,30,00,000	-	-	1,20,30,00,000
> Reduction	78,67,95,609	-	-	78,67,95,609
<b>Net Change</b>	<b>41,62,04,391</b>	-	-	<b>41,62,04,391</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,71,56,39,132	-	-	1,71,56,39,132
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,77,65,117	-	-	4,77,65,117
<b>Total (i+ii+iii)</b>	<b>1,76,34,04,249</b>	-	-	<b>1,76,34,04,249</b>

A handwritten signature in black ink is written over a circular official stamp. The stamp contains text around its perimeter, which is partially obscured by the signature. The signature appears to be a stylized name or set of initials.



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 (upto 30-Sep-2016)	-	-	-	
	Gross Salary:		-	-	-	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,75,000	-	-	-	30,75,000
	(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	-	-	-	-	-
	<b>Total</b>	<b>30,75,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,75,000</b>
	<b>Ceiling as per the Act</b>	<b>84,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,00,000</b>

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	4,50,000	6,10,000	0	0	10,60,000
	Commission	0	0	0	0	-
	Travelling expenses	0	0	0	0	-
	<b>Total (1)</b>	<b>4,50,000</b>	<b>6,10,000</b>	<b>0</b>	<b>0</b>	<b>10,60,000</b>
2	Other Non-Executive Directors	Vineet Chandra Rai	Anurag Agrawal			
	Fees for attending board / committee meetings	2,70,000	3,90,000	0	0	6,60,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	<b>Total (2)</b>	<b>2,70,000</b>	<b>3,90,000</b>	<b>0</b>	<b>0</b>	<b>6,60,000</b>
	<b>Total (1+2)</b>	<b>7,20,000</b>	<b>10,00,000</b>	<b>0</b>	<b>0</b>	<b>17,20,000</b>
	<b>Total Managerial Remuneration</b>	<b>7,20,000</b>	<b>10,00,000</b>	<b>0</b>	<b>0</b>	<b>17,20,000</b>
	<b>Overall Ceiling as per the Act</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Sl. No.	Particulars of Remuneration	KMP				Total Amount
		CEO	CEO	CFO	CS	
		Sanjib Kumar Jha (upto 30-Sep-2016)	Akbar Khan (w.e.f. 07-Nov-2016)	Nitin Agrawal	Chirag Desai	
	Gross Salary:					
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,75,000	21,01,302	76,91,350	18,85,900	
	(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	-	-	-	-	-
	<b>Total</b>	<b>30,75,000</b>	<b>21,01,302</b>	<b>76,91,350</b>	<b>18,85,900</b>	<b>1,47,53,552</b>

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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	297 of Companies Act, 1956	Company had entered into Related Party Transaction without taking prior approval of Regional Director	1,99,700	NCLT	NA
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	297 of Companies Act, 1956	Company had entered into Related Party Transaction without taking prior approval of Regional Director	1,99,700	NCLT	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



**M Baldeva Associates**  
Company Secretaries

Office No. 2,  
Tirupati Darshan Bldg. No. 2 CHS Ltd.,  
Balaji Nagar, Station Road,  
Bhayandar (West), Dist. Thane - 401 101.  
Phone : 022 - 3293 5738 / 2818 5738  
Email : manish@csmanishb.in  
Website : www.csmanishb.in

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

*[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 **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 31<sup>st</sup> March 2017 ('Audit Period') generally 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 31<sup>st</sup> March, 2017 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;
- 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);

Secretarial Audit Report/JSFL/2016-17



of 5



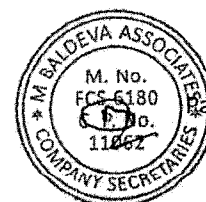
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(not applicable to the Company during the Audit period);
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015(not applicable to the Company during the Audit period);
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(not applicable to the Company during the Audit period);
  - The Securities and Exchange Board of India(Share Based Employee Benefits) Regulations,2014 (not applicable to the Company during the Audit period);
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(not applicable to the Company during the Audit period), and;
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(not applicable to the Company during the Audit period);
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 clauses of the following:

- Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- The Debt Listing Agreement entered by the Company with BSE Limited, Mumbai.

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

- non-filing and delayed filing of certain e-forms with ROC;
- non-submission and delayed submission of certain intimation, information or disclosures as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- delay in filling ALM -2 return for the half year ended 30<sup>th</sup> September, 2016.





**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director / CEO, 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.

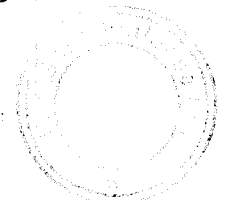
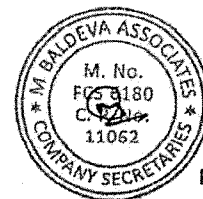
All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**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.

**I further report that** during the audit period:

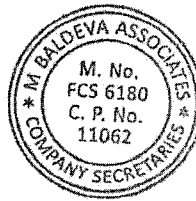
- a. The Company has adopted the new set of Articles of Associations in the Extra Ordinary General Meeting of the Company held on 6<sup>th</sup> May, 2016;
- b. On 6<sup>th</sup> May, 2016, the Company has issued and allotted 58,49,966 Series C Compulsory Convertible Preference Shares of Rs.10/- each at an issue prices of Rs. 87.18 per share (including premium of Rs.77.18 per share) amounting to Rs. 51.00 Crores on Private Placement basis;
- c. The Company has obtained approval of members under Section 188 of the Companies Act, 2013 to enter into transactions with related parties in the Annual General Meeting held on 26<sup>th</sup> May, 2016 and Extra Ordinary General Meeting held on 15<sup>th</sup> December, 2016;
- d. On 14<sup>th</sup> June, 2016, the Company has issued and allotted 1330 Rated, Listed, Taxable, Transferable, Redeemable Non-convertible Debentures of Rs. 1,00,000/- each aggregating to Rs.13.30 Crores on a private placement basis;
- e. The Company has obtained approval of members for offer and issue of Non-Convertible Debentures upto amounting Rs.150.00 Crores on Private Placement basis in Extra Ordinary General Meeting held on 20<sup>th</sup> September, 2016; and





- f. On 17<sup>th</sup> November, 2016, the Company has issued and allotted 4000 Rated, Listed, Taxable, Transferable, Redeemable Non-convertible Debentures of Rs.1,00,000/- each aggregating to Rs.40.00Crores on a private placement basis.

Place: Thane  
Date: 24<sup>th</sup> May, 2017



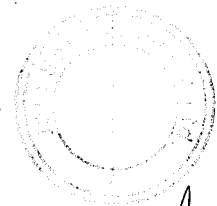
For M Baldeva Associates  
Company Secretaries

*Manish*

CS Manish Baldeva  
Proprietor

M. No.6180, CP No.11062

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.





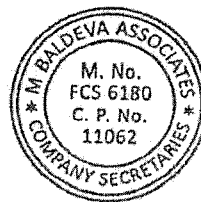
**Annexure -I**

To,  
The Members,  
Jain Sons Finlease Limited

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.

For M Baldeva Associates  
Company Secretaries



CS Manish Baldeva  
Proprietor

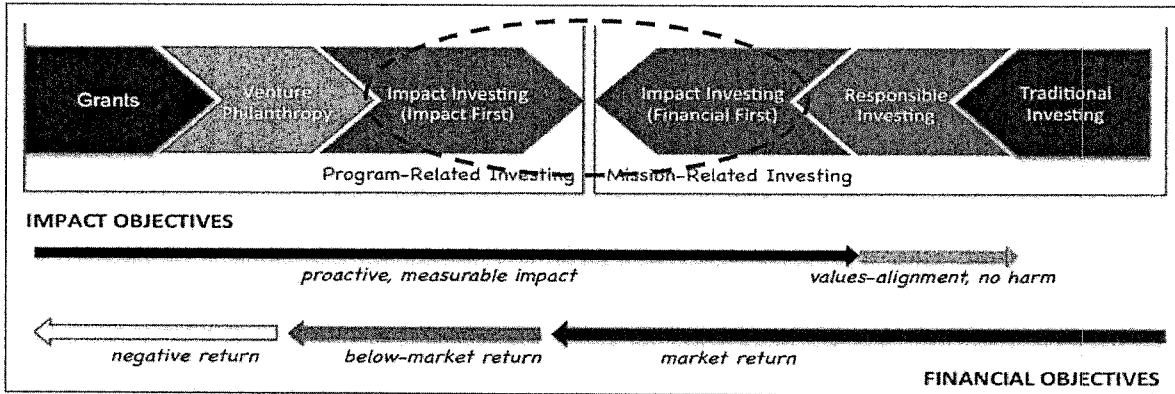
M. No.6180, CP No.11062

Place: Thane

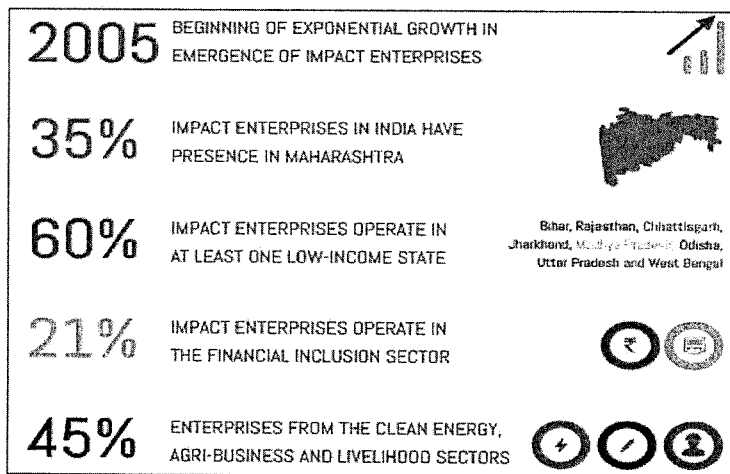
Date: 24<sup>th</sup> May, 2017

**a. Industry structure and developments:**

Impact enterprises include those “For Profit” enterprises who serve under-served beneficiaries including the producers, consumers, suppliers, employees and / or entrepreneurs. Impact enterprises typically look to cater to such segments which may not be purely financially lucrative but actually look to address wider social issues through commercial activities in addition to generating financial gains for the stakeholders involved.



Globally there has been an increased awareness and focus on the fact that profit not only can create



livelihood but has the ability to make people owners and generate and redistribute wealth, which is a unique ability that “For Profit” enterprises have due to their ability to attract more capital and create more scale thus redistribute wealth at a faster pace and make permanent and far reaching positive impact.

Impact funding is done by individuals as well as institutions which seek an opportunity of financial gains along with positive economic, environmental and social impact created through their funding.

For the growing social and economic needs of India, social sector plays an important role. Economic growth in India has not able to touch the lives at last mile and with increase in socio-economic disparities, there is more focus on the market based approach to tackle the challenges.

**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
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	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	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:**

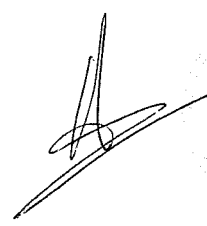
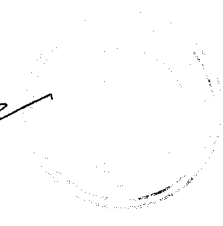
- Execution for building book & stagnation avoidance;
- Portfolio Quality, ring fence portfolio from further slippages;
- Enhancement in credit rating;
- Need to strengthen monitoring function to really track and report risk triggers;
- Templatize and standardize to increase productivity.



**d. Discussion on financial performance with respect to operational performance:**

- Interest income up by 52%
- Loan processing fees up by 90%
- Finance costs increased by 19% while the book increased by 66% owing to equity raise
- Added 2 new borrowers which included an NCD transaction with Calvert Foundation backed by OPIC.
- Held undrawn sanctions from 2 more lenders which include Kotak Mahindra Bank and a new NBFC.
- Lowered borrowing costs to 13.35% IRR.

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Financial Statements and Independent Auditor's  
Report

**Jain Sons Finlease Limited**

2016-17

## **Contents**

- Independent Auditor's Report
- IFCoFR Auditor's Report
- RBI Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Cash Flow Statement
- Summary of Significant accounting policies and other explanatory information

# Walker Chandlok & Co LLP

Walker Chandlok & Co LLP  
(Formerly Walker, Chandlok & Co)  
7th Floor, Block III, White House  
Kundan Bagh, Begumpet  
Hyderabad 500016  
India

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Jain Sons Finlease Limited

### Report on the Financial Statements

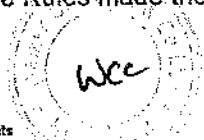
1. We have audited the accompanying financial statements of Jain Sons Finlease Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and 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 prescribed 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 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 audit report under the provisions of the Act and the Rules made thereunder.



Chartered Accountants

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

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandniok & Co LLP

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 these 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 these 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 2017, and 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 prescribed 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. we have also audited the internal financial controls over financial reporting of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24 May 2017 as per Annexure B expresses 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in Note 36 to the financial statements, has disclosed the impact of pending litigations on its financial position;

## Walker Chandiook & Co LLP

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the Company, as detailed in Note 35 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Nikhil Vaid*

per Nikhil Vaid

Partner

Membership No.: 213356



Place: Mumbai

Date: 24 May 2017

# Walker Chandiook & Co LLP

## 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 2017

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 granted unsecured loans to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion, the terms and conditions of grant of such loans are not, prima facie prejudicial to the Company's interest.
  - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment of the principal amount and the interest are regular;
  - (c) there is no overdue amount in respect of loans granted to such company.
- (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 Company's services. 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 customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

WCC

# Walker Chandiook & Co LLP

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹)	Period to which amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	3,271,599	2013-14	Commissioner of Income Tax-II
Income Tax Act 1961	Income Tax	173,400	2012-13	Not applicable

- (viii) The Company has no loans or borrowings payable to a government during the year. The Company has not defaulted in repayment of loans or borrowings to bank and financial institution or any dues to debenture-holders during the year.
- (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, though idle/surplus funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.
- (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, 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 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 preference shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. During the year, the Company did not make private placement of fully/partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

*Nikhil Vaid*  
per Nikhil Vaid  
Partner  
Membership No.: 213356

Place: Mumbai  
Date: 24 May 2017



## **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 2017**

### **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 2017, 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.

#### **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.



# Walker Chandiook & Co LLP

## 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 2017, 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

*Nikhil Vaid*  
per Nikhil Vaid  
Partner  
Membership No.: 213356

Place: Mumbai  
Date: 24 May 2017



# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
7th Floor, Block III, White House  
Kundan Bagh, Begumpet  
Hyderabad 500016  
India

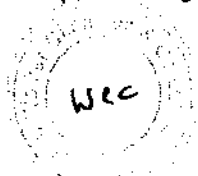
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F +91 40 6630 8230

## Auditor's Report

[Pursuant to the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016]

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 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued unqualified opinion vide our report dated 24 May 2017.
2. As required by the paragraphs 3 and 4 of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ("the RBI") vide Notification No. PPD.03/66.15.001/2016-17 dated 29 September 2016, as amended and based on our audit, we report on the matters 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-IA of the Reserve Bank of India Act, 1934 (as amended) it has obtained a certificate of registration vide certificate no. B-09.00441 dated 25 September 2014.
  - b. In our opinion, and in terms of the Company's assets and income pattern as at and for the year ended 31 March 2017, the Company is entitled to continue to hold the certificate of registration issued by the RBI.
  - c. In our opinion, the Company is meeting the required net owned fund requirement as laid down in the Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.



Chartered Accountants

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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiook & Co LLP

- d. The Board of Directors of the Company in their meeting held on 6 May 2016 has passed a resolution for non-acceptance of any public deposits during the year ended 31 March 2017.
- e. The Company has not accepted any public deposits during the year ended 31 March 2017.
- f. 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 income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- g. We understand that the Company has submitted the Form NBS-7 for the quarter ended 31 March 2017 based on the provisional financial information, according to which the capital adequacy ratio as at 31 March 2017 stands at 39.1%. In our opinion, the capital adequacy ratio of 40.1% as disclosed in the audited financial statements for the year ended 31 March 2017 is in compliance with the capital to risk asset norm prescribed by the RBI.
- h. As per the information furnished to us, the Company has electronically furnished the Form NBS-7 for the quarter ended 31 March 2017 within the stipulated time.
- i. The Company is not a Non-Banking Financial Company – Micro Finance Institution as defined under the Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N / N500013

*Nikhil Vaid*

per Nikhil Vaid

Partner

Membership No.: 213356

Place: Mumbai

Date: 24 May 2017



Jain Sons Finlease Limited  
Balance Sheet as at 31 March 2017  
(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2017	31 March 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	448,187,940	389,688,280
Reserves and surplus	4	582,497,286	101,739,924
		<u>1,030,685,226</u>	<u>491,428,204</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	873,991,428	613,805,433
Other long-term liabilities	6	36,240,000	7,200,000
Long-term provisions	7	6,386,426	10,287,421
		<u>916,617,854</u>	<u>631,292,854</u>
<b>Current liabilities</b>			
Short-term borrowings	8	-	100,000,000
Other current liabilities	6	951,809,964	625,021,021
Short-term provisions	7	9,297,591	17,970,953
		<u>961,107,555</u>	<u>742,991,974</u>
<b>Total</b>		<u><b>2,908,410,635</b></u>	<u><b>1,865,713,032</b></u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>			
- Tangible assets	9	6,166,740	6,148,843
- Intangible assets	10	439,289	2,633,025
- Capital work-in-progress		12,342,778	-
- Intangible assets under development		4,500,000	-
Deferred tax assets (net)	12	4,261,182	9,150,141
Loans to customers	13	1,091,213,303	658,608,978
Long-term loans and advances	14	62,709,196	33,319,446
Other non-current assets	15	20,625,000	1,875,000
		<u>1,202,257,488</u>	<u>711,735,433</u>
<b>Current assets</b>			
Current investments	11	-	23,868,851
Cash and bank balances	16	226,474,766	237,758,158
Loans to customers	13	1,432,353,500	855,783,092
Short-term loans and advances	14	21,235,281	21,440,100
Other current assets	15	26,089,600	15,027,398
		<u>1,706,153,147</u>	<u>1,153,977,599</u>
<b>Total</b>		<u><b>2,908,410,635</b></u>	<u><b>1,865,713,032</b></u>

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

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

Walker Chandlok & Co  
For Walker Chandlok & Co LLP  
Chartered Accountants

Nikhil Vaid  
per Nikhil Vaid  
Partner

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

Vineet Chandra Rai  
Chairman  
DIN: 00606290

Akbar Khan  
Executive Director  
and CEO  
DIN: 07657205

Nitin Prakash Agrawal  
Deputy CEO and CFO

Chirag Desai  
Company Secretary

Date: 24 May 2017  
Place: Mumbai

Date: 24 May 2017  
Place: Mumbai

**Jain Sons Finlease Limited**  
**Statement of Profit and Loss for the year ended 31 March 2017**  
(All amounts in ₹ unless otherwise stated)

	Notes	31 March 2017	31 March 2016
<b>Revenues</b>			
Revenue from operations	17	426,843,735	285,243,624
Other income	18	26,194,225	28,301,538
<b>Total revenues</b>		<b>453,037,960</b>	<b>313,545,162</b>
<b>Expenses</b>			
Employee benefits expense	19	66,384,235	57,205,137
Finance costs	20	220,204,374	185,689,694
Depreciation and amortisation	9 & 10	2,196,665	1,822,368
Provisions and write-offs	21	41,658,162	26,134,360
Other expenses	22	46,614,987	28,636,056
<b>Total expenses</b>		<b>377,058,423</b>	<b>299,487,615</b>
<b>Profit before tax</b>		<b>75,979,537</b>	<b>14,057,547</b>
<b>Tax expense</b>			
Current tax		19,041,753	5,980,815
Deferred tax expense/(credit)		4,888,959	(3,967,838)
Taxes of earlier years		-	1,948,920
<b>Profit for the year</b>		<b>52,048,825</b>	<b>10,095,650</b>
<b>Earnings per equity share (EPES)</b>			
Basic	24	4.74	0.93
Diluted		2.41	0.62
Nominal value per equity share		10	10

The accompanying notes 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 Chandok & Co LLP*  
For Walker Chandok & Co LLP  
Chartered Accountants

*Nikhil Vaid*  
per Nikhil Vaid  
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  
Deputy CEO and CFO

*Akbar Khan*  
Akbar Khan  
Executive Director and  
CEO  
DIN: 07657205

*Chirag Desai*  
-Chirag Desai  
Company Secretary

Date: 24 May 2017  
Place: Mumbai

Date: 24 May 2017  
Place: Mumbai

Jain Sons Finlease Limited  
Cash Flow Statement for the year ended 31 March 2017  
(All amounts in ₹ unless otherwise stated)

	31 March 2017	31 March 2016
<b>Cash flow from operating activities</b>		
Profit before tax	75,979,537	14,057,547
Adjustments for:		
Depreciation	2,196,665	1,822,368
Provisions and write-offs	41,658,162	11,005,462
Employee share based payment	-	5,001,000
Gain on sale of investments	(20,017,523)	(19,790,647)
<b>Operating profit before working capital changes</b>	<b>99,816,841</b>	<b>12,095,730</b>
Increase in loans and advances	(3,652,373)	(3,083,380)
Increase in loans to customers	(1,064,090,126)	(175,758,576)
(Increase)/decrease in other current assets	(29,812,202)	29,089,914
Increase in other liabilities and provisions	100,493,421	13,169,479
<b>Cash used in operations</b>	<b>(897,244,439)</b>	<b>(124,486,833)</b>
Income tax paid, net	(44,574,311)	(37,319,810)
<b>Net cash used in operating activities (A)</b>	<b>(941,818,750)</b>	<b>(161,806,643)</b>
<b>Cash flow from investing activities</b>		
Proceeds from mutual funds	20,017,523	8,326,667
Proceeds from sale of investments	23,968,851	16,163,980
Purchase of investments	-	(4,700,000)
Purchase of fixed assets	(16,863,604)	(3,498,054)
Investment in fixed deposit	(6,544,660)	(5,419,753)
<b>Net cash generated from investing activities (B)</b>	<b>20,578,110</b>	<b>10,872,840</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares (net of issue expenses)	487,208,197	1,500,000
Proceeds from borrowings	1,203,000,000	740,000,000
Repayment of borrowings	(786,795,609)	(571,377,444)
<b>Net cash generated from financing activities (C)</b>	<b>903,412,588</b>	<b>170,122,556</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(17,828,052)</b>	<b>19,188,753</b>
Cash and cash equivalents at the beginning of the year	202,442,318	183,253,565
<b>Cash and cash equivalents at the end of the year (refer note 16)</b>	<b>184,614,266</b>	<b>202,442,318</b>
Note 1: Interest paid	185,715,009	150,731,597
Note 2: Interest received on loans	362,418,846	263,740,281

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

Walker Chandok & Co LLP  
For Walker Chandok & Co LLP  
Chartered Accountants

Nikhil Vaid  
per Nikhil Vaid  
Partner

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

Vineet Chandra Rai  
Chairman  
DIN: 00606290

Akbar Khan  
Executive Director  
and CEO  
DIN: 07657205

Nitin Prakash Agrawal  
Deputy CEO and CFO

Chirag Desai  
Company Secretary

Date: 24 May 2017  
Place: Mumbai

Date: 24 May 2017  
Place: Mumbai



**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, 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.

**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.

WCC

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

**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 the Non-Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("the 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 on the basis of agreement with the customers.
- Profit/loss on the sale of investments is computed on the basis of average cost of investments and recognized at the time of sale/redemption.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Income from other financial services is recognised when the services are rendered and related costs are incurred.

**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.

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. 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.

**i. Asset classification and provisioning**

**Classification of Assets:**

Asset Classification	Period of Over Due
Standard assets	Not overdue or overdue for less than 120 days.
Non-performing assets (NPA)	Overdue for 120 days or more.
- Sub-standard assets	An asset that has been classified as NPA for a period not exceeding 14 months or an asset where the terms of agreement regarding interest and/or principal have been renegotiated or rescheduled.
- Doubtful assets	Sub-standard assets for more than 14 months.
- Loss assets	Assets that are identified as loss assets by the Company or internal auditor or external auditor or by the RBI.

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



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

***Provision for loan portfolio***

<b>Asset classification</b>	<b>Percentage of Provision</b>
Standard assets	0.35%
Sub-standard assets	10%
<b>Doubtful assets</b>	
Unsecured	100%
Secured	
Up to one year	20%
One to three years	30%
More than three years	50%
Loss assets	100%

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

**j. Employee benefits**

***Provident fund***

Retirement benefit in the form of a provident fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

***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 arise.

**k. Foreign currency transactions**

***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.

**l. 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.



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**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.

**m. 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.

**n. 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.

**o. Earnings per equity share**

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

**p. 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.

**q. Borrowing costs**

All borrowing costs are expensed in the period they occur. Borrowing cost consist of interest and other costs that the Company incurs in connection with the borrowing of funds.



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 Summary of significant accounting policies and other explanatory information  
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3. Share capital

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
<b>Authorized</b>				
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	6,000,000	60,000,000
		<u>555,000,000</u>		<u>555,000,000</u>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹10 each	10,969,348	109,693,480	10,969,348	109,693,480
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
0.001% Series C CCPS of ₹10 each	5,849,966	58,499,660	-	-
		<u>448,187,940</u>		<u>389,688,280</u>

a) Reconciliation of equity share capital

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
Balance at the beginning of the year	10,969,348	109,693,480	10,819,348	108,193,480
Add: Allotted during the year	-	-	150,000	1,500,000
Balance at the end of the year	<u>10,969,348</u>	<u>109,693,480</u>	<u>10,969,348</u>	<u>109,693,480</u>

b) Reconciliation of CCPS

	31 March 2017		31 March 2016	
	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>

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
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>

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
0.001% Series C CCPS of ₹10 each				
Balance at the beginning of the year	-	-	-	-
Add: Allotted during the year	5,849,966	58,499,660	-	-
Balance at the end of the year	<u>5,849,966</u>	<u>58,499,660</u>	<u>-</u>	<u>-</u>

c) 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.

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**Jain Sons Finlease Limited**  
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**d) Terms and rights attached to Series B CCPS of ₹100 each**

The Company had issued 2,499,948 Series B1 CCPS and 300,000 Series B2 CCPS of face value ₹100 each fully paid-up at par (collectively Series B CCPS) on 18 February 2014. The Series B - 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 the issue, Series B CCPS shall be compulsorily convertible into equity share of ₹10 each fully paid-up at a premium of ₹42.25 per share, at the option of the holder, in accordance with the terms of the Shareholder's Agreement dated 29 March 2016 ("the Shareholder's Agreement") between the Company, Intellectual Capital Advisory Services Private Limited ("ICAP"), ON Mauritius, Michael and Susan Dell Foundation, Triodos SICAV II-Triodos Microfinance Fund ("TSTMF"), Triodos Custody B.V./INZ - Triodos Fair Share Fund ("TCTFSF"), DWM (Internacional) Mauritius LTD ("DWM"), Vineet Rai and Sanjib Kumar Jha. If the CCPS holders do not exercise the conversion option, Series B CCPS shall be automatically converted into equity share of ₹10 each at a premium of ₹42.25 per share on 22 March 2019 in accordance with the terms of the Shareholders Agreement. 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.

**e) Terms and rights attached to Series C CCPS of ₹10 each**

The Company has allotted 5,849,996 non-cumulative CCPS of face value ₹10 each fully paid-up at a premium of ₹77.18 per share on 06 May 2016. The Series C - 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 the issue, 1 (one) Series C CCPS shall be compulsorily convertible into 1 (one) equity share of ₹10 each fully paid-up, at the option of the holder, in accordance with the terms of the Shareholder's Agreement. If the CCPS holders do not exercise the conversion option, 1 (one) CCPS shall be automatically converted into 1(one) equity share of ₹10 each at the end of 8th year from the date of issuance or on occurrence of an initial public offer in accordance with the terms of the Shareholders Agreement. 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.

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

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
ICAP	5,999,995	59,999,960	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

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

	31 March 2017		31 March 2016	
	Number	% holding	Number	% holding
ICAP	5,999,995	54.70%	5,999,995	54.70%
Michael & Susan Dell Foundation	969,525	8.84%	2,691,247	24.53%
IntelleCash	-	-	1,000,000	9.12%
Sanjib Kumar Jha	-	-	810,001	7.39%
TCTFSF	987,784	9.00%	-	-
TSTMF	987,783	9.00%	-	-
Aavishkaar Venture Management Services Private Limited ("AVMS")	880,593	8.03%	-	-
DWM	975,666	8.89%	-	-

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

	31 March 2017		31 March 2016	
	Number	% holding	Number	% holding
ON Mauritius	2,499,948	100.00%	2,499,948	100.00%

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

	31 March 2017		31 March 2016	
	Number	% holding	Number	% holding
DWM	150,000	50.00%	-	-
TSTMF	75,000	25.00%	-	-
TCTFSF	75,000	25.00%	-	-
Michael & Susan Dell Foundation	-	-	300,000	100.00%



**Jain Sons Finance Limited**  
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**j) Shareholders holding more than five percent of 0.001% Series C CCPS of ₹10 each fully paid-up**

	31 March 2017		31 March 2016	
	Number	% holding	Number	% holding
On Mauritius	1,720,578	29.41%	-	-
DWM	2,064,694	35.29%	-	-
TSTMF	1,032,347	17.65%	-	-
TCTFSF	1,032,347	17.65%	-	-

**k) Shares issued for a consideration other than in cash**

The issued, subscribed and fully paid-up share capital as at 31 March 2017 includes 710,000 (31 March 2016: 710,000) 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.

**l) Shares reserved for issue to employees**

**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, in the previous year, the Board had identified and allotted 710,000 equity shares to employees 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 was considered as compensation for services rendered by the said employees.

During the year, the Company has given right to Akbar Khan, Chief Executive Officer to subscribe to 75,000 equity shares of the Company at ₹87.18 per share at any time before 31 March 2017. As at 31 March 2017, Mr. Akbar Khan is yet to exercise his rights and the Company is evaluating to extend timeline for exercise.

The balance 55,889 equity shares shall be allotted to eligible employees of the Company based on recommendation of CEO and approval of 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, the pro forma disclosures regarding impact of fair value method on the reported net profit and earnings per equity share has not been made.

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Jain Sons Finlease Limited  
 Summary of significant accounting policies and other explanatory information  
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4. Reserves and surplus

	31 March 2017	31 March 2016
<b>Statutory reserve fund</b>		
Balance at the beginning of the year	13,460,373	11,441,243
Add: Transfer from statement of profit and loss	10,409,765	2,019,130
Balance at the end of the year	<u>23,870,138</u>	<u>13,460,373</u>
<b>Securities premium account</b>		
Balance at the beginning of the year	36,131,366	31,130,366
Add: Premium on issue of shares	451,500,376	5,001,000
Less: Share issue expenses	(22,791,839)	-
Balance at the end of the year	<u>464,839,903</u>	<u>36,131,366</u>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	52,148,185	44,071,665
Add: Profit for the year	52,048,825	10,095,650
Less: Transferred to statutory reserve fund	(10,409,765)	(2,019,130)
Balance at the end of the year	<u>93,787,245</u>	<u>52,148,185</u>
	<u><u>582,497,286</u></u>	<u><u>101,739,924</u></u>

5. Long-term borrowings

(Secured)

	31 March 2017	31 March 2016
<b>Debentures</b>		
1,942 (31 March 2016: 1,942) Non-Convertible Redeemable Debentures (NCDs) of ₹100,000 each fully paid-up	194,200,000	194,200,000
2,400 (31 March 2016: 2,400) Non-Convertible Redeemable Debentures (NCDs) of ₹100,000 each fully paid-up	240,000,000	240,000,000
1,330 (31 March 2016: Nil) Non-Convertible Redeemable Debentures (NCDs) of ₹100,000 each fully paid up	133,000,000	-
4,000 (31 March 2016: Nil) Non-convertible Redeemable debentures (NCDs) of ₹100,000 each fully paid up	400,000,000	-
<b>Term loans</b>		
- from banks	-	20,205,684
- from others	748,439,133	745,029,058
	<u>1,715,639,133</u>	<u>1,199,434,742</u>
Less: Current maturities of long-term borrowings (refer note 6)	841,647,705	585,629,309
	<u><u>873,991,428</u></u>	<u><u>613,805,433</u></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 had 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 specified book debts/loan receivables and carries interest rate of 13.5% per annum. 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 had 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 specified book debts/loan receivables and carries interest rate of 13.25% per annum. 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.
- (iii) The Company has allotted 1,330 NCDs of face value of ₹100,000 each fully paid-up at par on 10 June 2016. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries interest rate of 13.25% per annum. The NCDs are redeemable at par in two equal instalments on 14 December 2020 and 14 June 2021.
- (iv) The Company has allotted 4,000 NCDs of face value of ₹100,000 each fully paid-up at par on 16 November 2016. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries interest rate of 13.25% per annum. The NCDs are redeemable at par in two equal instalments on 17 May 2021 and 17 November 2021.

**(b) Term loans**

The loan from bank carried interest linked to the bank's prime lending rate and was 13.5% per annum. The interest on loans from others ranges from 13.15% to 15.65% per annum (31 March 2016: 13.17% to 15.65% per annum per annum). Loans are secured as follows:

- Loans amounting to ₹748,439,133 (31 March 2016: ₹765,234,742) is secured by way of hypothecation of book debts created out of the loan amount.
- Loans from others amounting to ₹328,839,199 (31 March 2016: ₹373,405,031) is also secured by way of cash/fixed deposits.

**(c) Repayment schedule**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Up to 1 year	841,647,705	585,629,309
2 to 5 years	873,991,428	613,805,433
	<u>1,715,639,133</u>	<u>1,199,434,742</u>

**6. Other liabilities**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Non-current</b>		
Collateral deposits from customers	36,240,000	7,200,000
	<u>36,240,000</u>	<u>7,200,000</u>
<b>Current</b>		
Current maturities of long-term borrowings	841,647,705	585,629,309
Interest accrued but not due	47,765,117	21,556,924
Statutory liabilities	2,322,999	962,679
Collateral deposits from customers	7,500,000	-
Advance from customers and refundable reimbursements	35,990,596	4,033,683
Other liabilities	16,583,547	12,838,426
	<u>951,809,964</u>	<u>625,021,021</u>

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**Jain Sons Finlease Limited**

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

**7. Provisions**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Long-term</b>		
Provision for gratuity*	1,526,053	846,695
Contingent provision against standard assets	3,860,373	6,719,070
Provision on sub-standard assets	<u>1,000,000</u>	<u>2,721,656</u>
	<u><u>6,386,426</u></u>	<u><u>10,287,421</u></u>
<b>Short-term</b>		
Provision for gratuity*	8,694	5,178
Contingent provision against standard assets	4,805,909	10,248,948
Provision		
- On sub-standard assets	4,482,988	7,477,138
- On investments	-	239,689
	<u>9,297,591</u>	<u>17,970,953</u>

\* The following table set out the status of the gratuity plan 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 2017</u>	<u>31 March 2016</u>
Current service cost	608,879	388,332
Interest cost on benefit obligation	63,890	40,728
Net actuarial loss / (gain)	<u>10,105</u>	<u>(87,678)</u>
Net expense	<u><u>682,874</u></u>	<u><u>341,382</u></u>

**Changes in present value of the defined benefit obligation for gratuity**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Opening defined benefit obligation	851,873	510,491
Interest cost	63,890	40,728
Current service cost	608,879	388,332
Actuarial (gains)/ losses on obligations	<u>10,105</u>	<u>(87,678)</u>
Closing defined benefit obligation	<u><u>1,534,747</u></u>	<u><u>851,873</u></u>

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

	<u>31 March 2017</u>	<u>31 March 2016</u>
Discounting rate (per annum)	7.50%	7.80%
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	<u>31 March 2017</u>	<u>31 March 2016</u>	<u>31 March 2015</u>	<u>31 March 2014</u>	<u>31 March 2013</u>
Defined benefit obligation	1,534,747	851,873	510,491	73,048	16,565
Plan assets	-	-	-	-	-
Surplus (Deficit)	(1,534,747)	(851,873)	(510,491)	(73,048)	(16,565)
	(493,009)	-	-	-	-
Experience adjustments on plan liabilities -(Gain)/loss	-	-	-	-	-
Experience adjustments on plan assets -(Loss)/Gain	-	-	-	-	-

**8. Short-term borrowings**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Loan from others (secured)	-	100,000,000
	<u>-</u>	<u>100,000,000</u>

Loan from others amounting to Nil (31 March 2016: ₹100,000,000) was secured by way of hypothecation of book debts created out of the loan amount.  
The loan carried interest of 14% per annum.



Jain Sons Finlease Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

9. Tangible assets

	Computers	Office equipment	Furniture and Fixtures	Total
<b>Gross block</b>				
As at 1 April 2015	2,224,050	1,000,173	4,000,000	7,224,223
Additions	516,245	886,078	1,338,343	2,740,666
As at 31 March 2016	2,740,295	1,886,251	5,338,343	9,964,889
Additions	1,475,100	411,076	148,200	2,034,376
Disposals/adjustments	-	-	-	-
As at 31 March 2017	4,215,395	2,297,327	5,486,543	11,999,265
<b>Accumulated depreciation</b>				
Up to 1 April 2015	1,192,065	443,849	498,313	2,134,227
Charge for the year	906,548	306,128	469,143	1,681,819
Up to 31 March 2016	2,098,613	749,977	967,456	3,816,046
Charge for the year	1,049,541	427,241	539,697	2,016,479
Up to 31 March 2017	3,148,154	1,177,218	1,507,153	5,832,525
<b>Net block</b>				
As at 31 March 2017	1,067,241	1,120,109	3,979,390	6,166,740
As at 31 March 2016	641,682	1,136,274	4,370,887	6,148,843

10. Intangible assets

	Software	Total
<b>Gross block</b>		
As at 1 April 2015	2,038,078	2,038,078
Additions	757,388	757,388
As at 31 March 2016	2,795,466	2,795,466
Additions	351,450	351,450
Disposals/adjustments	(2,365,000)	(2,365,000)
As at 31 March 2017	781,916	781,916
<b>Accumulated amortization</b>		
Up to 1 April 2015	21,892	21,892
Charge for the year	140,549	140,549
Up to 31 March 2016	162,441	162,441
Charge for the year	180,186	180,186
Up to 31 March 2017	342,627	342,627
<b>Net block</b>		
As at 31 March 2017	439,289	439,289
As at 31 March 2016	2,633,025	2,633,025



**Jain Sons Finance Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**11. Investments**

(Unquoted, non-trade)

**Current**

**Investment in PTCs**

Nil units (31 March 2016: 90 units) of Series A2 PTCs of Arkaios Multi Micro Finance Pool Trust 2015 of face value of ₹266,320.57 each.

	31 March 2017	31 March 2016
	-	23,968,851
	-	23,968,851

**12. Deferred tax assets (net)**

**Deferred tax liability**

On account of

Fixed assets

924,424

192,325

**Deferred tax assets**

On account of

Provision for standard and sub - standard assets

4,678,173

9,042,030

Others

507,433

300,436

	4,261,182	9,150,141
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**13. Loans to customers**

(Considered good)

	31 March 2017		31 March 2016	
	Non-current	Current	Non-current	Current
<b>Standard assets</b>				
Secured	599,018,675	902,991,040	471,866,886	628,399,541
Unsecured	482,194,628	486,521,101	159,525,530	197,130,881
	1,081,213,303	1,389,512,141	631,392,416	825,530,422
<b>Sub-standard assets</b>				
Secured	10,000,000	42,501,652	27,216,562	30,252,670
Unsecured	-	339,707	-	-
	10,000,000	42,841,359	27,216,562	30,252,670
	1,091,213,303	1,432,353,500	658,608,978	855,783,092

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

	Closing balance		Maximum outstanding during the year	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Vaatsalya Healthcare Solutions Private Limited	-	10,049,156	10,049,156	32,025,497
Visage Holding & Finance Private Limited	-	11,397,812	11,397,812	32,858,866
IntelleCash Microfinance Network Company Private Limited	51,271,612	-	60,000,000	-
Electronic Payment and Services Private Limited	-	56,375,001	56,375,001	96,875,000
Connect India E-Commerce Services Private Limited	11,503,784	-	15,000,000	-
Ulink Bio Energy Private Limited	-	-	-	28,885,450
Milk Mantra Dairy Private Limited	-	-	50,000,000	-

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

<b>14. Loans and advances</b>		
(Unsecured, considered good)		
	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Long-term</b>		
Collateral security given to lenders	9,525,590	9,000,000
Deposits	5,046,102	1,714,500
Advance tax (net of provision)	48,137,504	22,604,946
	<u>62,709,196</u>	<u>33,319,446</u>
<b>Short-term</b>		
Collateral security given to lenders	11,000,000	11,845,569
Receivable for services	7,097,067	-
Deposits	1,666,500	330,241
Advances recoverable in cash or in kind or for value to be received	312,022	250,985
Prepaid expenses	458,412	2,260,654
Loan and advances to directors*	-	5,000,000
Interest free loan to employees	701,280	1,752,641
	<u>21,235,281</u>	<u>21,440,100</u>

\*includes Nil (31 March 2016: ₹5,000,000) due from Mr. Sanjib Kumar Jha, Director and CEO.

<b>15. Other assets</b>		
(Unsecured, considered good)		
	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Non-current</b>		
Fixed deposits with bank (with maturity of more than 12 months)*	20,625,000	1,875,000
	<u>20,625,000</u>	<u>1,875,000</u>
<b>Current</b>		
Accrued interest	26,089,600	13,939,886
Other receivables	-	1,087,512
	<u>26,089,600</u>	<u>15,027,398</u>

\* includes ₹20,625,000 (31 March 2016: ₹1,875,000) held as collateral against the borrowings.

<b>16. Cash and bank balances</b>		
	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	183,988,385	198,588,618
Cash on hand	626,881	439,902
Cheques on hand	-	3,413,798
	<u>184,614,266</u>	<u>202,442,318</u>
<b>Other bank balances</b>		
Fixed deposits with bank (with maturity of less than 12 months)*	41,860,500	35,315,840
	<u>226,474,766</u>	<u>237,758,158</u>

\* includes ₹41,860,500 (31 March 2016: ₹30,336,097) held as collateral against the borrowings.



**Jain Sons Finlease Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**17. Revenue from operations**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Interest income from</b>		
Loan to customers	372,238,800	245,903,576
Others	3,523,329	14,264,269
<b>Other financial services</b>		
Loan processing fees	39,788,601	21,058,501
Loan syndication fees	11,105,505	3,600,000
Others	187,500	417,278
	<u>426,843,735</u>	<u>285,243,624</u>

**18. Other income**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Interest on fixed deposits	4,416,152	3,074,435
Gain on sale of investments	20,017,523	19,790,647
Bad debts recovered	1,760,550	3,859,488
Miscellaneous income	-	1,576,968
	<u>26,194,225</u>	<u>28,301,538</u>

**19. Employee benefits expense**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Salaries, wages and bonus	57,630,968	48,924,465
Employee share based payment	-	5,001,000
Contribution to provident fund	5,295,651	-
Gratuity	682,874	341,382
Staff welfare expenses	2,774,742	2,938,290
	<u>66,384,235</u>	<u>57,205,137</u>

**20. Finance costs**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Interest expense	211,923,202	160,893,121
Other borrowing costs	8,281,172	24,796,573
	<u>220,204,374</u>	<u>185,689,694</u>

**21. Provisions and write-offs**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Contingent provision against standard assets (refer note 34)	(8,301,736)	3,100,073
Provision for sub-standard and non-performing assets (refer note 34)	(4,715,806)	8,822,477
Provision on investments	(239,689)	(917,088)
Loans written-off	54,915,393	15,128,898
	<u>41,658,162</u>	<u>26,134,360</u>



**Jain Sons Finance Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**22. Other expenses**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Rent	4,508,930	3,613,194
Office expenses	5,220,399	3,660,651
Electricity expenses	493,660	497,780
Legal and professional fees	18,576,093	5,412,951
Rates and taxes	5,771,884	4,439,469
Communication expense	1,281,893	1,127,371
Travelling and conveyance	4,836,819	6,303,717
Printing and stationery	700,470	506,269
Payments to the auditor		
- Statutory audit fees (including Rs. 461,000 for previous year)	1,711,000	665,000
- Tax audit fees	150,000	150,000
- Limited review fees	250,000	250,000
Advertisement expenses	550,800	-
Miscellaneous expenses	2,563,039	2,009,654
	<u>46,614,987</u>	<u>28,636,056</u>





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

**23. Related party disclosures**

**a) Name of the related parties and relationship**

<b>Name of the parties</b>	<b>Nature of relationship</b>
ICAP	Holding company
IntelleCash	Fellow subsidiary
Intellecap Advisory Services Private Limited ("Intellecap")	Entity in which directors has significant influence
AVMS	Entity having significant influence on the holding company
Arohan Financial Services Private Limited ("Arohan")	Fellow subsidiary
Sanjib Kumar Jha (upto 30 September 2016)	Key management personnel (KMP)
Akbar Khan (from 07 November 2016)	

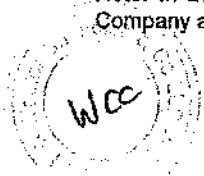
**b) Transactions during the year**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>ICAP</b>		
Reimbursement of expenses incurred on behalf of the Company	52,026	504,961
<b>Intellecap</b>		
Advisory services	12,750,617	-
<b>Arohan</b>		
Reimbursement of expenses incurred on behalf of the Company	-	1,228,320
<b>IntelleCash</b>		
Loans given	60,000,000	-
Processing fees income	690,000	-
Interest income	574,286	-
Loan recovered	8,728,388	-
<b>AVMS</b>		
Reimbursement of expenses incurred on behalf of the Company	976,740	-
<b>Sanjib Kumar Jha</b>		
Salaries, wages and bonus	3,075,000	6,612,096
Employee loan given	-	5,000,000
Interest on loan	-	96,370
<b>Akbar Khan</b>		
Salaries, wages and bonus	2,101,302	-

**c) Balances receivable/(payable)**

	<u>31 March 2017</u>	<u>31 March 2016</u>
ICAP	(44,951)	(44,951)
IntelleCash	51,271,612	-
Sanjib Kumar Jha	(1,310,743)	5,000,000

Note: In addition to this, Akbar Khan was also given right to subscribe to 75,000 equity shares of the Company at ₹87.18 per share.



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

**24. Earnings per equity share (EPES)**

	<u>31 March 2017</u>	<u>31 March 2016</u>
a) Profit for the year attributable for calculating diluted EPES	52,048,825	10,095,650
Less: Dividend on CCPs @0.001%	3,385	2,800
Profit for the year attributable for calculating basic EPES	52,045,440	10,092,850

**b) Computation of weighted average number of equity shares used in computation of basic and diluted EPES**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Weighted average number of shares considered for computation of basic EPES	10,969,348	10,880,656
Add: Effect of potential dilutive shares	10,647,763	5,358,752
Weighted average number of shares considered for computation of diluted EPES	21,617,111	16,239,408

**25. Expenditure in foreign currency**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Travel and conveyance	15,381	508,712

**26. Additional disclosures pursuant to Master Direction – Non Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:**

	<u>31 March 2017</u>	
	<u>Amount outstanding</u>	<u>Amount overdue</u>
<b>Liabilities side:</b>		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
Secured	1,011,309,123	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term loans, including interest accrued but not paid	752,095,127	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other loans - from banks and financial institutions	-	-



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

31 March 2017

<b>Assets side:</b>		
(2)	Break up of Loans and advances including bills receivable (other than those included in (3) below):	
	a) Secured, gross	1,554,511,367
	b) Unsecured, gross	969,055,436
		<hr/>
(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	-
		<hr/>
(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)	-
	Long Term investments :	
	1. Quoted	
	(i) Shares :	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-



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

(iv) Government Securities	-
(v) Others	-
<b>2. Unquoted</b>	
(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 2017**

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:			
Category	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	51,092,162	51,092,162
(c) other related parties	-	-	-
2. Other than related parties	1,543,962,091	914,363,280	2,458,325,371
<b>Total</b>	<u>1,543,962,091</u>	<u>965,455,442</u>	<u>2,509,417,533</u>

(6) Investor group-wise classification of all investments (currents and long term) in shares and securities (both quoted and unquoted)		
Category	<u>Market value / Breakup or fair value or NAV</u>	<u>Book value (net of provisions)</u>
1. Related parties	-	-
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**31 March 2017**

(7) Other information	
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	52,841,359
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	47,358,371
(iii) Assets acquired on satisfaction of debt	-



**Jain Sons Finance 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 2017						31 March 2016								
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total					
	Asset Classification → Details ↓															
1	Restructured Accounts as on April 1 of the FY 2016-17 (opening figures)	No. of borrowers	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
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	1	-	-	-	-	1
		Amount outstanding	-	-	-	-	-	-	-	-	22,207,514	-	-	-	-	22,207,514
		Provision thereon	-	-	-	-	-	-	-	-	3,070,255	-	-	-	-	3,070,255
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	(1)	-	-	-	-	(1)
		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	No. of borrowers	-	-	-	-	-	-	-	-	(1)	-	-	-	-	(1)
		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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	(2)	-	-	-	-	-	(1)
		Amount outstanding	-	-	-	-	-	-	-	(38,113,271)	-	-	-	-	-	(17,500,000)

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**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 2017					31 March 2016									
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total					
	Asset Classification → Details ↓															
	Provision thereon	-	(3,811,327)	-	-	(3,811,327)	-	(1,750,000)	-	-	(1,750,000)					
	No. of borrowers	-	-	-	-	-	-	2	-	-	2					2
	Amount outstanding	-	-	-	-	-	-	38,113,271	-	-	38,113,271					38,113,271
	Provision thereon	-	-	-	-	-	-	3,811,327	-	-	3,811,327					3,811,327
7	Restructured Accounts as on March 31 of the FY 2016-17 (closing figures)															

**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.

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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

1. Asset liability management

Maturity pattern of certain items of assets and liabilities as at 31 March 2017

Borrowings:

Period	31 March 2017		31 March 2016	
	From banks	From others	From banks	From others
1 day to 30/31 days (1 month)	-	38,208,284	2,050,419	53,234,412
Over 1 month to 2 months	-	51,056,463	2,187,953	62,663,709
Over 2 month to 3 months	-	49,546,474	2,206,274	67,491,631
Over 3 month to 6 months	-	306,935,436	6,776,536	185,248,748
Over 6 month to 1 year	-	395,733,072	6,984,502	296,305,784
Over 1 Year to 3 years	-	341,159,404	-	614,284,774
Over 3 years to 5 years	-	533,000,000	-	-
Over 5 years	-	-	-	-
	-	1,715,639,133	20,205,684	1,279,229,058

Assets:

Period	31 March 2017		31 March 2016	
	Investments	Advances	Investments	Advances
1 day to 30/31 days (1 month)	-	174,605,700	-	98,662,018
Over 1 month to 2 months	-	119,374,614	2,976,876	62,870,221
Over 2 month to 3 months	-	120,002,849	9,182,637	82,255,487
Over 3 month to 6 months	-	362,988,582	11,808,438	219,902,627
Over 6 month to 1 year	-	645,208,893	900	392,092,760
Over 1 Year to 3 years	-	828,516,789	-	609,038,826
Over 3 years to 5 years	-	272,869,376	-	49,570,151
Over 5 years	-	-	-	-
	-	2,523,566,803	23,968,851	1,514,392,070

Notes:

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

2. Capital to Risk Asset Ratio ("CRAR")

	31 March 2017	31 March 2016
CRAR (%)	40.1%	30.4%
CRAR – Tier I Capital (%)	40.1%	30.4%
CRAR – Tier II Capital (%)	-	-
Amount of subordinated loan raised as Tier II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

3. Investments

	31 March 2017	31 March 2016
<b>Value of investments</b>		
<b>Gross value of investments</b>		
a) In India	-	23,968,851
b) Outside India	-	-
<b>Provisions for depreciation</b>		
a) In India	-	239,689
b) Outside India	-	-

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

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Net value of investments</b>		
a) In India	-	23,729,162
c) Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
Opening balance	239,689	1,156,776
Add: Provisions made during the year	-	-
Less: Write-off/write-back of excess provisions during the year	239,689	917087
Closing balance	<u>-</u>	<u>239,689</u>

**4. Derivatives**

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

**5. Disclosure relating to securitization**

The Company has not done any securitization during the year.

**6. Exposures**

- a. 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:

	<u>31 March 2017</u>	<u>31 March 2016</u>
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;	664,045,836	451,298,126
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)	-	-
<b>Total exposure to capital market</b>	<u>664,045,836</u>	<u>451,298,126</u>





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

**b. Details of financing of parent company products**

The Company has not financed any parent company product.

**c. 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.

**d. Unsecured advances**

The details of unsecured advances are provided in Note 13 to the financial statements. Further, the Company has not given any loan against intangible assets.

**7. 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 8 June 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.

**8. Additional disclosures**

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

	31 March 2017	31 March 2016
Provisions on investments	(239,689)	(917,088)
Provisions for sub – standard assets	(4,715,806)	8,822,477
Provisions for income tax	19,041,753	5,980,815
Provision for gratuity	682,874	341,382
Provisions for standard assets	<u>(8,301,736)</u>	<u>3,100,073</u>

**ii. Draw down from reserves**

The Company has not made any drawdown of reserves during the year.

**iii. Concentration of deposits**

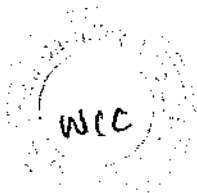
The Company has not accepted any deposit from public in the current and previous year. Hence, this disclosure is not applicable.



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

**iv. Concentration of advances, exposures and NPAs**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>a) Concentration of advances</b>		
Total advances to twenty largest borrowers	1,056,018,127	827,122,869
Percentage of advances to twenty largest borrowers to total advances	41.85%	53.54%
<b>b) Concentration of exposures</b>		
Total exposure to twenty largest borrowers/customers	1,056,018,127	827,122,869
Percentage of exposure to twenty largest borrowers/customers to total exposure	41.85%	53.54%
<b>c) Concentration of NPAs</b>		
Total exposure to top four NPA accounts	49,471,840	57,469,232
<b>d) Sector wise NPAs</b> (Percentage of NPAs to total advances in that sector)		
Agriculture and allied activities	-	-
MSME	-	-
Corporate borrowers	2.09%	3.80%
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-
<b>e) Movement of NPAs</b>		
<b>i. Net NPAs to net advances (%)</b>	1.89%	3.18%
<b>ii. Movement of NPAs (Gross)</b>		
Opening balance	57,469,232	51,864,988
Additions during the year	50,287,520	41,563,475
Reductions during the year	(54,915,393)	(35,959,231)
Closing balance	52,841,359	57,469,232
<b>iii. Movement of Net NPAs</b>		
Opening balance	47,270,438	48,182,143
Additions during the year	50,287,520	32,201,192
Reductions during the year	(50,199,587)	(33,112,897)
Closing balance	47,358,371	47,270,438
<b>iv. Movement of provisions for NPAs (excluding provision on standard assets)</b>		
Opening balance	10,198,794	3,682,845
Provisions made during the year	-	9,362,283
Write-off/write-back of excess provisions	(4,715,806)	(2,846,334)
Closing balance	5,482,988	10,198,794



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

- 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.

**9. Disclosure of customer complaints**

	31 March 2017	31 March 2016
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 2017 amounts to ₹278,300,000 (31 March 2016: ₹122,500,000).

30. The Company has entered into non-cancellable operating lease arrangements in respect of its office premises. The lease expense for non-cancellable operating leases during the year ended 31 March 2017 is ₹4,508,930 (31 March 2016: ₹1,307,604). The Company's obligation towards payment of consideration (excluding service taxes) over the remaining term of the arrangement is as follows:

Period	31 March 2017	31 March 2016
Not later than one year	14,091,804	3,999,600
Later than one year and not later than five years	23,596,850	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.

33. Based on information available with the Company, as at 31 March 2017, 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.

34. Effective 1 April 2016, the Company has amended its estimate for asset classification and provisioning for loan portfolio to be in line with the provisioning norms prescribed by the RBI in the Prudential Norms. Had the Company continued to use the earlier estimate, the provision and write offs to the Statement of Profit and Loss for the year would have been higher by ₹38,451,387.



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

**35. Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	21,500	168,560	190,060
(+) Permitted receipts	-	310,000	310,000
(-) Permitted payments	-	56,940	56,940
(-) Amount deposited in Banks	21,500	5,000	26,500
Closing cash in hand as on 30 December 2016	-	416,620	416,620

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**36. Contingent Liabilities**

- The Company has filed for compounding of offences relating to non-compliances with Section 295 and 297 of the Companies Act, 1956. The Management is of the view that Tribunal will look at the matters favourably and the impact of settlement on financial statements will not be material.
- The Company has filed appeals relating to demand of Rs.3,271,599 raised by assessing officer for the financial year 2013-14 arising on account of disallowances of certain expenses. The Management is of the view that such disallowances are not sustainable and the matter will be decided in favour of the Company.

37. 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 Chandok & Co LLP*  
 For Walker Chandok & Co LLP  
 Chartered Accountants

*Nikhil Vaid*  
 per Nikhil Vaid  
 Partner

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

*Vineet Chandra Rai*  
 Vineet Chandra Rai  
 Chairman  
 DIN: 00606290

*Akbar Khan*  
 Akbar Khan  
 Executive Director and  
 CEO  
 DIN: 07667205

*Nitin Prakash Agrawal*  
 Nitin Prakash Agrawal  
 Deputy CEO and CFO

*Chirag Desai*  
 Chirag Desai  
 Company Secretary

Place: Mumbai  
 Date: 24 May 2017

Place: Mumbai  
 Date: 24 May 2017