



**JAIN FARMS AND RESORTS LTD**

Regd. Office : No. 59/1, 3rd Floor, Nakoda Arcade  
D V G Road, Basavanagudi, Bangalore - 560 004.

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23rd Annual Report

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**BOARD OF DIRECTORS and  
KEY MANAGERIAL PERSON**

MR. MANGALCHAND JAIN KEWALCHAND

MR. NEERAJ AGARWAL

MR. MAHAVEERCHAND SETHIA

MS. SAJJALA DATRAM PATIL (w.e.f. 13/07/2017)

**BANKERS :**

Kotak Mahindra Bank Limited

IndusInd Bank Limited

Karnataka Bank Limited

ICICI Bank Indian Bank.

**AUDITORS :**

M/S. Mishra & Co.,

Chartered Accountants

No. 699 , 13th Cross, MES Road,

Muthyala Nagar, Bangalore -560054

**REGISTERED OFFICE :**

NO.59/1, NAKODA ARCADE,

III FLOOR, DVG ROAD,

BANGALORE-560004

**SECRETRIAL AUDITOR :**

**Ms. Shruti Manwani**

Company Secretaries

8, Aradhana Nagar, Near Jeevan Jyoti Hospital,

Bhopal, M.P, India - 462003.

**NOTICE**

Notice is hereby given that 23<sup>rd</sup> Annual General Meeting of the members of Jain Farms and Resorts Limited will be held at Country Club, No.95, Basavanapura, Bannerghatta Road, Bangalore-560083, on Saturday, September 30th, 2017 at 10.30 A.M to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mangalchand Jain Kewalchand (DIN 01845160) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint an Auditor in place of retiring Auditor and fix their remuneration and in this regard 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 of Companies Act 2013, and other applicable provisions, if any as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. Safal Gupta & Associates, Chartered Accountants (FRN: 016530S) be and are hereby appointed as Statutory Auditor’s of the Company.

**“RESOLVED FURTHER THAT** M/s. SAFAL GUPTA & ASSOCIATES, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company for Five Years from the conclusion of this Annual General Meeting and that they shall hold the office of the Statutory Auditor’s of the Company from the conclusion of this meeting until the conclusion of 28<sup>th</sup> Annual General Meeting on such remuneration as may be fixed by the Board of Directors in consultation with them.”

**SPECIAL BUSINESS:****4. APPOINTMENT OF MR. MAHAVEERCHAND SETHIA (DIN: 07640886) AS 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 the provisions of Section 161(1) of the Companies Act, 2013 read with provisions of Articles of the Company, Mr. Mahaveerchand Sethia (07640886) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 20.10.2016 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Mahaveerchand Sethia for the office of the Director of the Company, be and is hereby elected and appointed as the Director of the Company.”

**By order of the Board of Directors**

Place: Bangalore  
Date: 01.09.2017

Sd/-

**K Mangal Chand Jain**  
**Chairman & Managing Director**

**NOTES:**

1. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item no 4 as stated above in annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.  
  
A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2017 to 30.09.2017 (both days inclusive).
5. Members are requested to bring their Attendance Slips with their copy of the Annual Report to the meeting.
6. Relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m and 1.00 p.m. upto the date of the Meeting.
7. Section 72 of the Companies Act, 2013 provides for nomination

by the shareholders of the Company in the prescribed Form SH-13. Shareholders are requested to avail this facility.

8. Members are requested to intimate to the Company changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
9. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is mandatory.
10. Your Company supports in full measure the 'green initiative' of the Ministry of Corporate Affairs under which, service of notices/documents including Annual Report, can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative of the Government, members who would like to receive such notices/documents in electronic mode and who have not registered their e-mail addresses so far, are requested to do so by sending a request to the Company mentioning their folio number and e-mail addresses to which such documents can be sent.

### 11. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26th September, 2017 (10.00 a. m) and ends on 29th September, 2017 (5.00 p.m.). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23<sup>rd</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul>

	<ul style="list-style-type: none"> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	
	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the relevant EVSN of JAIN FARMS AND RESORTS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The

Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- Mr. Vighneshwar Bhat, Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility, then the members would not be permitted to exercise their voting right at the general meeting.
- The voting rights of members shall be in proportion to their share in the paid up capital of the Company as on the cut-off date.
- Any Person who acquires the shares and becomes a member of the Company after dispatch of the Notice and holds shares as on the cut-off date i.e., September 23<sup>rd</sup>, 2017, may obtain the login Id and password by sending a request to CDSL/OUR RTA.
- The scrutinizer shall immediately after the conclusion of the voting at the general meeting, first count the votes

cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the meeting a consolidated scrutinizer’s report of the votes cast in favour or against, to the Chairman of the Company.

- The results shall be declared on or after the Annual General Meeting. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.jainfarms.com](http://www.jainfarms.com) and on the website of CDSL.

#### 1. Particulars of Directors Seeking Re-appointment:

Particulars	
Name	MANGALCHAND JAIN KEWALCHAND
Date of Birth	02/04/1960
Date of Appointment	08.09.1994
Qualifications	Master Degree
Expertise in specific Functional Areas	Service Industry
Other Directorships/ Committee Chairmanships/ Memberships	JAIN FARMS PALM OILS LIMITED JAIN FARMS PRIVATE LIMITED SREE NAGALAKSHMI TEXTILE MILLS (MADURAI) LIMITED
Number of Shares Held in the Company	1169750
Relationship between Directors Inter Se	NA

**Item No.4:**

- a. Your Board of Director's had appointed Mr. Mahaveerchand Sethia as an Additional Director on their meeting duly held on 20<sup>th</sup> day of October, 2016. Since he is an Additional Director his office expires on the ensuing Annual General Meeting. To appoint him as a Director your approval is sought by way of ordinary resolution.
- b. Nature of Interest of Directors: NIL
- c. None of the relatives (as defined under section 2(77) of the Companies, Act, 2013) of the directors mentioned above, are interested in any way in the resolution at item number 4.
- d. Nature of Interest of Key Managerial Personnel:
- | Name of the Key Managerial Personnel | Nature of interest |
|--------------------------------------|--------------------|
| NIL                                  | NIL                |
- e. None of the relatives (as defined under section 2(77) of the Companies, Act, 2013) of the Key Managerial Personnel mentioned above, are interested in any way in the resolution at item number 4.
- f. The resolution at Item No.4 does not relate or concerns any other company.

**By the Order of the Board  
For JAIN FARMS AND RESORTS LIMITED**

**MANGALCHAND JAIN KEWALCHAND**  
(Managing Director)  
(DIN: 01845160)

Registered Office:  
NO.59/1, NAKODAARCADE,  
III FLOOR, DVG ROAD,  
BANGALORE-560004  
CIN: U00019KA1994PLC016202  
E-mail Id: [mangal100100@gmail.com](mailto:mangal100100@gmail.com)  
Website: [www.jainfarms.com](http://www.jainfarms.com)  
Place: Bengaluru  
Date: 01.09.2017

**DIRECTORS' REPORT****Dear Members**

Your Directors present the 23<sup>RD</sup> Annual Report together with the Audited Statements of Account for the financial year ended March 31, 2017.

**1. FINANCIAL RESULTS.**

During the year under review the Company has achieved the following financial results:

(Amount in Rupees)

Particulars	31.03.2017	31.03.2016
Total Revenue	1,15,27,220	52,42,903
Less: Expenses excluding Depreciation	87,39,117	49,45,996
Profit/(Loss) before Depreciation, Taxation and Exceptional items	27,88,103	2,96,907
Less: Depreciation	15,02,987	18,23,793
Profit/(Loss) before Taxation and exceptional items	12,85,116	(15,26,886)
Less: Exceptional items	-	-
Profit/(Loss) before Tax	12,85,116	(15,26,886)
Less: Tax expenses Deferred tax	-	3,20,147
Net Profit/(Loss) for the year	12,85,116	(18,47,033)

**2. STATE OF COMPANY'S AFFAIRS::**

During the year under review the Turnover of your Company has increased compared to previous year. However, Turnover has increased from Rs. 24,94,500/- to Rs. 1,11,96,243/-. During the year Company has earned net profit of Rs. 12,85,116/- as compared to net loss of Rs. 18,47,033/- in the FY 2015-16.

**3. DIVIDEND & RESERVES:**

In order to plough back the profit and capitalise the same for the purpose of meeting future requirements of the Company, your Directors did not propose any dividends for the Financial Year ending 31st March 2017.

Company has made a net profit of Rs. 12,85,116/- during the year which got transferred to Reserves & Surplus Account.

#### 4. SHARE CAPITAL:

##### a) Authorised capital

During the year under review, the Authorised capital of the company has not increased or decreased

##### b) Issue / allotment of shares

Your Company has not issued/allotted any equity shares during the year ended 31<sup>st</sup> March, 2017.

##### c) Other information

The Company has neither issued shares with differential voting rights nor granted any Stock options or sweat equity shares.

#### 5. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014, is included in this Report as **Annexure – A** and forms an integral part of this Report.

#### 6. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2016-17, 7 (Seven) meetings of the Board were held on 25.05.2016, 15.07.2016, 29.08.2016, 20.10.2016, 28.12.2016, 17.01.2017 and 30.03.2017.

#### 7. DIRECTORS:

There were changes in composition of Board of Directors during the year. Mr. Neeraj Agarwal was appointed as Additional Director on 25.05.2016, Mr. Abraham Kurien Varikkamakkal was died on 19.08.2016, Mr. Mahaveerchand Sethia was appointed as Additional Director on 20.10.2016 and Mr. Sathiya Moorthy was resigned from the Board on 28.12.2016.

#### 8. DEPOSITS:

The Company has not accepted fixed deposits from the public

and shareholders within the meaning of Section 73(1) of the Companies Act, 2013 and Rules made there under, during the year under review.

The Company has re-paid all outstanding deposits accepted before the commencement of the Companies Act, 2013, during the year under review.

#### 9. DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations 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 March 31, 2017 and its profit for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the 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 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
- 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.

#### 10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

During the year under review the Company has not given any



loan, guarantee or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

#### 11. RELATED PARTY TRANSACTIONS:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto shall be disclosed in Form No. AOC -2 annexed herein. (Format annexed)

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval.

#### 12. RISK MANAGEMENT:

The Company has in place Risk Management system according to which the Board of Directors of the Company periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

#### 13. CORPORATE SOCIAL RESPONSIBILITY:

No disclosures on Corporate Social Responsibility are required as provision under Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable to the Company.

#### 14. AUDITORS:

The term of existing Auditors M/s. Mishra & Co., Chartered Accountants, Bangalore, has expired. The Board of Directors decided to appoint M/s. Safal Gupta & Associates as statutory Auditors of the Company in place of retiring Auditors.

#### 15. AUDITOR QUALIFICATIONS.

In the Annexure to the Independent Auditor's Report:

*VII. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, excise duty, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable with the appropriate*

*authorities during the year except the following which is outstanding as on date of this report and it is outstanding for more than 6 months from the date it has become payable.*

Name of the Statute	Nature of Due	Amount (Rs /-)	Period to which the amount relates
Tamilnadu VAT Act, 2006	VAT	2,07,000	2012-13
Tamilnadu VAT Act, 2006	VAT	4,377	2013-14
Finance 1994(Service tax)	Act- Service Tax	29,991	2013-14
Finance 1994(Service tax)	Act- Service Tax	64,040	2014-15
Finance 1994(Service tax)	Act- Service Tax	1,07,239	2015-16

Boards Reply:

Board has taken steps to Deposit the necessary dues with the concerned authorities.

#### 16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATIONS OR COURTS OR TRIBUNALS.

There are no significant and material orders passed by the Regulators/Courts/Tribunals that would impact the going concern status of the Company and its future operations.

#### 17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Act. The Company's internal financial controls framework is based on the 'three lines of defense model'. The Company has laid down standard operating procedures and policies to guide the operations of the business.

Unit heads are responsible to ensure compliance with the policies and procedures laid down by the management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company. The board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

#### **18. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The health and safety of the workforce is of paramount importance. The Company aims to provide a workplace that is free from any occupational hazards or illness.

During the year under review the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

#### **19. MATERIAL CHANGES:**

There are no material changes in the Company during the year.

#### **20. STATUTORY INFORMATION**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is NIL.

There were no employees employed throughout the year who were in receipt of remuneration of Rs. 60 Lakhs per annum or more. There were no employees employed for part of the year who were in receipt of remuneration of Rs. 5 Lakhs per month or more.

The information required under Section 197(12) of the Companies Act, 2013 is not applicable.

#### **21. LISTING STATUS**

Honorable Securities and Exchange Board of India in their Circular dated 30.05.2012 clarified that when the stock exchanges gets closed, the Companies have an option to get listed in some other Stock exchanges which are active and if they not get listed in any other stock exchange, such Company will be referred to Dissemination Board. Currently your Company is in the process of relisting in Metropolitan Stock Exchange of India Limited. Hence comments on various listing compliance namely Management Discussion analysis etc are not forming part of this report.

#### **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2017 is given here below and forms part of the Director's Report

##### **A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION.**

There are no items to disclose under this head. However, the Company develops its own technology in house for new products, process development and cost reduction and it has systems to absorb the technology developed.

##### **B. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year under review Foreign Exchange earnings and Foreign Exchange outgo was Nil.

#### **23. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES:**

As on date the Company does not have any subsidiary, joint venture or associate Company.

#### **24. SECRETARIAL AUDIT REPORT**

The Board has appointed Mrs. Shruti Manwani, Practicing

Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as Annexure II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 26. ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your kind perusal and information as Annexure - I.

## 27. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with the rules issued there under, Regulation 17(10) of the Listing Regulations and the circular issued by SEBI dated 5<sup>th</sup> January, 2017 with respect to Guidance Note on Board Evaluation, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the financial year 2016-17.

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (“SEBI”) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee

meetings. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-Independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

## 28. ACKNOWLEDGEMENTS:

Your Directors thank the Members, Government Authorities, Banks, Customers and Vendors for their continued unstinted support to the Company.

**MANGALCHAND JAIN KEWALCHAND**  
**Managing Director**  
**DIN: 01845160**

**MAHAVEERCHAND SETHIA**  
**Additional Director**  
**DIN: 07640886**

Place: Bengaluru  
Date: 01.09.2017

## Annexure-I

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management & Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1. CIN	U00019KA1994PLC016202
2. Registration Date	08.09.1994
3. Name of the Company	JAIN FARMS AND RESORTS LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares / Indian Non-government Company
5. Address of the Registered office & contact details	NO.59/1, NAKODA ARCADE, III FLOOR, DVG ROAD, BANGALORE-560004
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

## 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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real Estate	68100	100

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and Address of the Company	CIN/GIN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	1169750	1169750	38.99	-	1169750	1169750	38.99	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	1169750	1169750	38.99	-	1169750	1169750	38.99	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	138800	138800	4.63	-	138800	138800	4.63	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1691450	1691450	56.38	-	1724650	1724650	57.49	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	1830250	1830250	61.01	-	1830250	1830250	61.01	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	1830250	1830250	61.01	-	1830250	1830250	61.01	-

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	3000000	3000000	100	-	3000000	3000000	100	-

## ii) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
1	MANGALCHAND JAIN KEWALCHAND	11,69,750	38.99	-	11,69,750	38.99	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)-  
There is no change in the shareholding of the Promoters.D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>1</b>	<b>M PAVAN KUMAR JAIN</b>			-		
A	At the beginning of the year	72,900	2.43	-	72,900	2.43
b.	At the end of the year	72,900	2.43	-	72,900	2.43
<b>2</b>	<b>CHANCHAL JAIN</b>					
A	At the beginning of the year	68,010	2.26	-	68,010	2.26
b.	At the end of the year	68,010	2.26	-	68,010	2.26
<b>3.</b>	<b>PAVAN KUMAR</b>					
a	At the beginning of the year	56,300	1.87	-	56,300	1.87
b	At the end of the year	56,300	1.87	-	56,300	1.87
<b>4</b>	<b>CHANCHAL</b>					
A	At the beginning of the year	37,500	1.25	-	37,500	1.25
b.	At the end of the year	37,500	1.25	-	37,500	1.25
<b>5</b>	<b>RAJ KUMAR JAIN</b>					

A	At the beginning of the year	36,000	1.2	-	36,000	1.2
B	At the end of the year	36,000	1.2	-	36,000	1.2
<b>6</b>	<b>JAIN FARMS PRIVATE LIMITED</b>					
A	At the beginning of the year	30,000	1	-	30,000	1
b.	At the end of the year	30,000	1	-	30,000	1
<b>7</b>	<b>MANGAL CHAND K</b>					
A	At the beginning of the year	29,230	0.97	-	29,230	0.97
B	At the end of the year	29,230	0.97	-	29,230	0.97
<b>8</b>	<b>K MANGAL CHAND &amp; SONS(HUF)</b>					
A	At the beginning of the year	25,500	0.85	-	25,500	0.85
b.	At the end of the year	25,500	0.85	-	25,500	0.85
<b>9</b>	<b>YADALAM INDUSTRIAL FINANCE P. LTD.</b>					
A	At the beginning of the year	18,300	0.61	-	18,300	0.61
b.	At the end of the year	18,300	0.61	-	18,300	0.61
<b>10</b>	<b>MAHAVEER SECURITIES LTD</b>					
A	At the beginning of the year	17,300	0.50	-	1,140,520	0.50
b.	At the end of the year	17,300	0.50	-	1,140,520	0.50

Note: The Paid Up Share Capital as on 01.04.2016 and 31.03.2017 was Rs. 3 Crores respectively.

#### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Increase/Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>1.</b>	<b>MANGALCHAND JAIN KEWALCHAND</b>					
i	At the beginning of the year	11,69,750	38.99	NIL	11,69,750	38.99
ii	a. Decrease - Capital Reduction - b. Increase - c. Increase -	NIL	NIL	NIL	NIL	NIL
iii	At the end of the year	11,69,750	38.99	NIL	11,69,750	38.99

Note: None of the other Directors / Key Management Personnel held any shares at the beginning and end of the financial year ended March 31, 2017.

#### V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(In Rs.)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,65,892	19,08,289	-	23,74,181
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,65,892</b>	<b>19,08,289</b>	<b>-</b>	<b>23,74,181</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	1,72,665	3,53,924	-	5,26,589
<b>Net Change</b>	<b>1,72,665</b>	<b>3,53,924</b>	<b>-</b>	<b>5,26,589</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,93,227	15,54,365	-	18,47,592
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,93,227</b>	<b>15,54,365</b>	<b>-</b>	<b>18,47,592</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		CMD	WTD			
1.						
1	Gross salary	0	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00	0.00
5	Others-contribution to funds	-	-	-	-	-
	<b>Total (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Ceiling as per the Act					

## B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	0.00	0.00			0.00
	Commission	0.00	0.00			0.00
	Others, please specify	0.00	0.00			0.00
	Total (1)	0.00	0.00			0.00
2	Other Non-Executive Directors	-	-			-
	Fee for attending board committee meetings	-	-			-
	Commission	-	-			-
	Others, please specify	-	-			-
	Total (2)	-	-			-
	Total (B)=(1+2)	0.00	0.00			0.00
	Total Managerial Remuneration	0.00	0.00			0.00
	Overall Ceiling as per the Act	Due to inadequate profit remuneration is paid as per the limit prescribed under Part II of Schedule V of the Companies Act, 2013.				

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others-contribution to funds	-	-	-	-
	Total	-	-	-	-

## 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	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**MANGALCHAND JAIN KEWALCHAND**  
**Managing Director**  
**DIN: 01845160**

**MAHAVEERCHAND SETHIA**  
**Additional Director**  
**DIN: 07640886**

Place: Bengaluru  
Date: 01.09.2017

## ANNEXURE II

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

For the period April 1, 2016 to March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies

(Appointment and Remuneration of Personnel) Rules, 2014]

To,

The Members

Jain Farms and Resorts Limited,

CIN: 000019KA1994PLC016202

Reg. off: No.59/1, Nakoda Arcade,

III Floor, DVG Road, Bangalore – 560004

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jain Farms and Resorts Limited** (CIN: **000019KA1994PLC016202**) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the 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 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 **Jain Farms and Resorts Limited (“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 Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder (**Not applicable to the Company during the year under review**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (**Not applicable to the Company during the year under review**);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the year under review**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. (**Not applicable to the Company during the year under review**)
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company during the year under review**).
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.– (**Not applicable during audit period**)
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (**Not applicable during audit period as there are no issue of shares under ESOP or ESPS scheme during the period of audit.**)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (**Not applicable during audit period**)



- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not applicable to the Company during the Audit Period)**
  - h) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009. **(Not applicable to the Company during the Audit Period).**
  - i) The Memorandum and Articles of Association.
- (VI) Following other laws as are applicable to the company :
1. Companies Act, 2013 and the rules made there under
  2. The Indian Contract Act, 1872
  3. Employees Provident Fund Scheme, 1952
  4. Employees State Insurance Act, 1948
  5. Payment of Gratuity Act, 1972
  6. Payment of Bonus Act, 1965
  7. Minimum Wages Act, 1948
  8. Income Tax Act, 1961
  9. Service Tax, 1994
  10. Tax Deducted at Source
  11. Transfer of Property Act, 1882

As per a certificate submitted by the Managing Director, the company has complied with all the laws and regulations governing the company's behavior as a Public Company, has been following due processes enabling the Company to comply by all the legal requirements applicable to a Public Company and has 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.

1. **I have also examined compliance with the applicable clauses of the following:**
  - i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) The Company is an unlisted company. The Audit is being conducted as a matter of good corporate governance practice.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and *partially complied with Secretarial Standards mentioned above.*
2. **I further report that**
  - a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
  - b) Adequate notice is given to all directors to schedule the Board Meetings, 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.
  - c) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
3. **I further report that** no audit has been conducted on compliance with finance and taxation laws as the same are subject to audit by Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold for the purpose of the Audit Report.

4. **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.
5. I further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and as informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever necessary.

Sd/-

**Shruti Manwani**

Place: Bhopal

Date: 15/07/2017

ACS No: 41418

C P No: 15524

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**ANNEXURE A**

To,

The Members,

**Jain Farms and Resorts Limited**

No.59/1, Nakoda Arcade,

III Floor, DVG Road, Bangalore – 560004

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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 provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and have relied on the report of statutory auditors on direct and indirect taxes.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**Shruti Manwani**

Place: Bhopal

Date: 15/07/2017

ACS No: 41418

C P No: 15524

## Annexure - III

**POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES****1. INTRODUCTION:**

Jain Farms And Resorts Limited (“the Company”) recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company.

Section 178 of the Companies Act, 2013 and the provisions of Regulation 19 of the Listing Regulation with Stock Exchanges require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- Carry out evaluation of every director’s performance
- Formulate the criteria for evaluation of Independent Directors and the Board

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of Jain Farms And Resorts Limited herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

**2. 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. “Company” means Jain Farms Palm Oils Limited.” “Directors” means Directors of the Company.

“Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” means as may be defined in the Companies Act, 2013. As per section 2(51) “key managerial personnel”, in relation to a company, means—

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time Director;
- iv. the Chief Financial Officer; and
- v. such other officer as may be prescribed;

“Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

“Policy or This Policy” means, “Policy for Remuneration of Directors, Key Managerial Personnel and Senior Employee”.

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

“Senior Management” mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

“Other employees” means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

**3. REMUNERATION TO THE DIRECTORS:**

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company’s performance vis-à-vis the industry, responsibilities shouldered,

performance/ track record, macroeconomic review on remuneration packages of heads of other organizations.

The remuneration payable to the directors of the Company shall at all times be determined, in accordance with the provisions of Companies Act, 2013.

#### **4. APPOINTMENT AND REMUNERATION OF MANAGING DIRECTOR AND WHOLE TIME-DIRECTOR:**

The terms and conditions of appointment and remuneration payable to a Managing Director and/or Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 3 (years) at a time. The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance

- Industry/ sector trends for the remuneration paid to executive directorate.

Annual Increments to the Managing/ Whole Time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

#### **5. INSURANCE PREMIUM AS PART OF REMUNERATION:**

Where any insurance is taken by a Company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **6. REMUNERATION TO INDEPENDENT DIRECTORS:**

Independent Directors may receive remuneration by way of:-

- Commission as approved by the Shareholders of the Company.
- Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to Independent Directors, but the amount of such sitting fees shall not exceed the maximum permissible under the Companies Act, 2013.

#### **7. REMUNERATION TO DIRECTORS IN OTHER CAPACITY:**

The remuneration payable to the directors including Managing Director or Whole-time Director or Manager shall be inclusive of the remuneration payable for the services rendered by him/her in any other capacity except the following:

- a) The services rendered are of a professional nature; and

- b) In the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

### 8. EVALUATION OF THE DIRECTORS:

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178 (2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an independent professional consultant.

### 9. REMUNERATION OF OTHER EMPLOYEES:

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Key Managerial Personnel/s shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HODs of various departments.

Decisions on Annual Increments shall be made on the basis of this annual appraisal.

### 10. REVIEW AND AMENDMENT:

Any or all the provisions of this Policy would be subject to the revision/

amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Regulation on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

### Annexure-IV FORM NO. AOC -2

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

1. Details of contracts or arrangements or transactions not at arm's length basis  
All the transactions with the related parties have been done at Arm's length price only.
2. Details of material contracts or arrangement or transactions at arm's length basis

Name of related party	Description of relationship	Year ended March 31, 2017	Nature and Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Jain farms Palm Oil Limited	Company has common control	58,80,006	--	Trade payable	Not Specified	Nil
Jain farms Private Limited	Company has common control	4,50,000	--	Trade payable	Not Specified	Nil

By the Order of the Board  
For JAIN FARMS AND RESORTS LIMITED

MANGALCHAND JAIN KEWALCHAND  
Managing Director  
DIN: 01845160

MAHAVEERCHAND SETHIA  
Additional Director  
DIN: 07640886

Place: Bengaluru  
Date: 01.09.2017

**Independent Auditors' Report  
To the Members of Jain Farms & Resorts Limited**

**Report on the Financial Statements**

We have audited the accompanying Standalone Financial Statements of M/s Jain Farms and Resorts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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.

**Management's Responsibility for the standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are

required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 control 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Financial Statements.

**Opinion: -**

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

- i. In the case of the Balance Sheet, of the statement of affairs of the company as at 31<sup>st</sup> March 2017;

- ii. In the case of the statement of profit or loss, of the profit for the year ended on that date;
- iii. In the case of the cash flow statement, of the cash flows for the year ended on that date

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - i) 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;
  - ii) in our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books
  - iii) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of accounts;
  - iv) in our opinion, the aforesaid balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - vi) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate **Annexure**

- 'B'. our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting
- vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in note No.22B(a)
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

Date: 05/05/2017

Place: Bengaluru

**For Mishra & Co.,**  
Chartered Accountants

Sd/-

**Nilamadhav Mishra**  
Proprietor  
M.No:223157;FRN:012355S

**Annexure to the Independent Auditor's Report****(Refer to the paragraph (1) under report on other legal and regulatory requirements of our report of even date)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification. All the title deeds of immovable properties are held in the name of the Company.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. (a) The Company has not granted secured/unsecured loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 during the financial year 2016-17.
- iv. In respect of loans, investments, guarantees and securities, as per the information and explanation provided to us, the provisions of section 185 and 186 of The Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed maintenance of cost of records by the Company under section 148(1) of the Companies Act, 2013 for any of the products. Hence no comment on the maintenance of cost records is required.
- vii. (a) The Company is regular in depositing with appropriate

authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, excise duty, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable with the appropriate authorities during the year except the following which is outstanding as on date of this report and it is outstanding for more than 6 months from the date it has become payable.

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates
Tamilnadu VAT Act,2003	VAT	2,07,000	2012-13
Tamilnadu VAT Act,2003	VAT	4,377	2013-14
Finance Act-1994 (Service tax)	Service tax	29,991	2013-14
Finance Act-1994 (Service tax)	Service tax	64,040	2014-15
Finance Act-1994 (Service tax)	Service tax	1,07,239	2015-16

(b) According to the information and explanations given to us and based on the records of the company examined by us, the following dues have not been deposited on account of disputes.

The Company has filed an appeal before the commissioner of Income Tax (Appeals) against the order of the Assessment year as follow:



Name of the statute	Issued by	Nature of dues	Amount (In Lakhs)	Period to which the amount relates in A. Y.	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Officer - Ward-11(2)	Demand of Income Tax	61.72	2006-07	Income tax Appellate tribunal, B'lore
Income Tax Act, 1961	Income Tax Officer - Ward-11(2)	Demand of Income Tax	24.87	2007-08	Income tax Appellate tribunal, B'lore
Income Tax Act, 1961	Income Tax Officer - Ward-11(2)	Demand of Income Tax	11.68	2008-09	Income tax Appellate tribunal, B'lore
Income Tax Act, 1961	Income Tax Officer - Ward-11(2)	Demand of Income Tax	4.79	2010-11	Income tax Appellate tribunal, B'lore
Income Tax Act, 1961	Income Tax Officer - Ward-11(2)	Demand of Income Tax	111.42	2011-12	Income tax Appellate tribunal, B'lore
Income Tax Act, 1961	Income Tax Officer - Ward-11(2)	Demand of Income Tax	67.27	2012-13	Income tax Appellate tribunal, B'lore
Income Tax Act, 1961	Income Tax Officer - Ward-11(2)	Demand of Income Tax	62.82	2013-14	Income tax Appellate tribunal, B'lore

- vii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The company has not borrowed any funds from the government.
- viii. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. There was no money raised by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) the Order is not applicable to the Company.
- ix. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management,

- we report that no fraud on or by the Company has been noticed or reported during the year.
- x. According to the information and explanation provided to us, and based on our examination of the records of the company, the company has paid/provided managerial remuneration in accordance with requisite approval mandated by the provisions of section 197 read with schedule V of the Act,
- xi. In our opinion and according to explanation provide to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xii. According to the information and explanation provided to us, transactions with related parties are in compliance with sections 177 & 188 of the Act wherever applicable and details of such transaction have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiii. The Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the financial year 2016-17.
- xiv. According to the information and explanation provided to us, the company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xv. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date:05/05/2017

Place: Bengaluru

**For Mishra & Co.,**  
Chartered Accountants

Sd/-

**Nilamadhab Mishra**  
Proprietor  
M.No:223157;FRN:012355S

**JAIN FARMS & RESORTS LIMITED**

# 59/1, Nakoda Arcade, 3rd Floor, Basavanagudi, Bangalore: 560 004

**BALANCE SHEET AS AT 31st MARCH 2017**

Particulars	Note No.	As on 31/03/2017	As on 31/03/2016
<b>LEQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	30,000,000	30,000,000
(b) Reserves and Surplus	2	784,398	(196,274)
(c) Money received against Share Warrants	-	-	-
<b>2. Non-Current liabilities</b>			
(a) Long term borrowings	3	1,602,461	465,892
(b) Deferred tax liabilities (Net)		166,501	166,501
(c) Other long term liabilities	4	5,693,092	-
(d) long term provisions		-	-
<b>2. Current liabilities</b>			
(a) Short-term borrowings	5	245,131	1,908,289
(b) Trade payables	6	9,574,150	16,399,427
(c) Other current liabilities	7	3,649,676	8,687,370
(d) Short-term provisions	8	68,217	22,987
<b>TOTAL</b>		<b>51,783,626</b>	<b>57,454,192</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	9	12,069,718	13,530,706
(b) Deferred tax assets (net)		-	-
(c) Long-term loans and advances	10	4,989,445	4,343,400
<b>2. Current Assets</b>			
(a) Inventories	11	32,562,373	37,367,096
(b) Trade receivables	12	1,683,760	1,765,760
(c) Cash and Cash Equivalents	13	278,330	447,230
(d) Short term loans and advances	14	200,000	-
<b>TOTAL</b>		<b>51,783,626</b>	<b>57,454,192</b>

Significant Accounting Policies and Notes to Accounts 22

Place: Bangalore  
Date: 05/05/2017As per our report of even date  
**For Mishra & Co.,**  
**Chartered Accountants**Sd/-  
**K. Mangal Chand Jain**  
Managing DirectorSd/-  
**Mahaveerchand Sethia**  
DirectorSd/-  
**Nilamadhhab Mishra**  
Proprietor  
M.No. 223157, FRN:  
0123555**JAIN FARMS & RESORTS LIMITED**

# 59/1, Nakoda Arcade, 3rd Floor, Basavanagudi, Bangalore: 560 004

**STATEMENT OF PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st MARCH 2017**

Particulars	Note No.	As At 31/03/2017	As At 31/03/2016
I. Revenue from operations (Gross)	15	11,196,243	2,494,500
II. Other Income	16	330,977	2,748,403
<b>Total Revenue ( I+II)</b>		<b>11,527,220</b>	<b>5,242,903</b>
<b>III. Expenses:</b>			
Purchases of Stock in Trade	17	-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	4,804,723	1,709,348
Employee benefits expense	19	1,314,940	1,376,583
Finance costs	20	60,497	212,195
Depreciation and Amortisation expense	9	1,502,987	1,823,793
Other expenses	21	2,558,958	1,647,870
<b>Total Expenses</b>		<b>10,242,104</b>	<b>6,769,789</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>1,285,116</b>	<b>(1,526,886)</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>1,285,116</b>	<b>(1,526,886)</b>
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>1,285,116</b>	<b>(1,526,886)</b>

<b>Tax expense:</b>			
1.Current tax		-	-
2.Deferred tax		-	320,147
<b>Profit (Loss) for the period from continuing operations</b>		<b>1,285,116</b>	<b>(1,847,033)</b>
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
<b>Profit (Loss) for the period</b>		<b>1,285,116</b>	<b>(1,847,033)</b>
Earnings per share:			
(1) Basic (Facevalue of Rs.10 each)		0.43	(0.62)
(2) Diluted (Facevalue of Rs.10 each)		0.43	(0.62)

Significant Accounting Policies  
and Notes to Accounts

22

Notes referred to above form an integral part of Profit and Loss Account

Place: Bangalore  
Date:05/05/2017

As per our report of even date  
**For Mishra & Co.,**  
**Chartered Accountants**

Sd/-  
**K. Mangal Chand Jain**  
Managing Director

Sd/-  
**Mahaveerchand Sethia**  
Director

Sd/-  
**Nilamadhab Mishra**  
**Proprietor**  
M.No. 223157, FRN: 012355S

## JAIN FARMS & RESORTS LIMITED

# 59/1, Nakoda Arcade, 3rd Floor, Basavanagudi, Bangalore: 560 004

### Notes to the Balance Sheet as at 31st March , 2017

Note 1 (i) Share Capital authorised, issued, subscribed and paid up:

Sr. No	Particulars	As at 31/03/2016		As at 31/03/2015	
		Number	Amount (In Rs.)	Number	Amount (In Rs.)
1	<b>AUTHORIZED CAPITAL</b> 30,00,000 Equity Shares of Rs. 10/- each.	3,000,000	30,000,000	3,000,000	30,000,000
		3,000,000	30,000,000	3,000,000	30,000,000
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 30,00,000 Equity Shares of Rs. 10/- each, Fully	3,000,000	30,000,000	3,000,000	30,000,000
	<b>Total</b>	3,000,000	30,000,000	3,000,000	30,000,000

The Company has only one class of shares, referred to as equity shares, having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividend, if any, is payable to the shareholders in proportion to their shareholding.

The Company has not declared dividend during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

#### Reconciliation of number of Shares:

Sr. No	Particulars	As at 31/03/2017		As at 31/03/2016	
		Number	Amount (In Rs.)	Number	Amount (In Rs.)
1.	Shares outstanding at the beginning of the year	3,000,000	30,000,000	3,000,000	30,000,000
	Shares issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Any other moment(Please specify)	-	-	-	-
	Shares outstanding at the end of the year	3,000,000	30,000,000	3,000,000	30,000,000

Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company:

Sr. No	Particulars	As at 31/03/2017		As at 31/03/2016	
		Number	%	Number	%
	K Mangal Chand Jain	1,169,750	38.99	1,169,750	38.99

**Note : 2 Reserve & Surplus**

Particulars	As at 31/03/2017	As at 31/03/2016
<b>(a) Capital Reserve</b>		
Opening balance	43,046,625	43,445,638
Add: Addition during the year	1,000,000	917,521
Less: Transferred to income	1,304,444	1,316,534
<b>Balance as at the end of the year</b>	<b>42,742,181</b>	<b>43,046,625</b>
<b>(b) General Reserve</b>		
Opening balance	629,200	629,200
Add: Addition during the year	-	-
<b>Balance as at the end of the year</b>	<b>629,200</b>	<b>629,200</b>
<b>(c) Surplus in Statement of Profit and Loss</b>		
Opening balance	(43,872,099)	(38,933,862)
Add: Adjustment for provision	-	(3,091,204)
Add: Profit/(Loss) for the year	1,285,116	(1,847,033)
Closing Balance	(42,586,983)	(43,872,099)
<b>Total</b>	<b>784,398</b>	<b>(196,274)</b>

**3. Long term borrowings**

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Secured:</b>		
From Banks	293,227	465,892
<b>Unsecured</b>		
Loans and Advances from Related Parties	1,309,234	-
<b>Total</b>	<b>1,602,461</b>	<b>465,892</b>

**Note 3.4A Terms of Repayment of Long Term Borrowings & Nature of Security**

Term Loan from Banks	Repayment Terms	Security
Bank of Baroda Car Loan	Equated Monthly Installment of Rs.16,995/-each	Hypothecation of Vehicle

**4. Other long term liabilities**

Particulars	As at 31.3.2017	As at 31.3.2016
Trade Payables	-	-
Others (Basic Amenities )	5,693,092	-
	-	-
<b>Total</b>	<b>5,693,092</b>	<b>-</b>

**5. Short term Borrowings**

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Loans Repayable on demand :</b>		
<b>Un-Secured:</b>		
Bank Overdraft	205,131	78,089
Loans and advances from Related Parties	40,000	1,830,200
<b>Total</b>	<b>245,131</b>	<b>1,908,289</b>

**6. Trade Payables**

Particulars	As at 31.3.2017	As at 31.3.2016
Due to Micro, Small and Medium Enterprises	-	-
Others	9,574,150	16,399,427
<b>Total</b>	<b>9,574,150</b>	<b>16,399,427</b>

**7. Other Current liabilities**

Particulars	As at 31.3.2017	As at 31.3.2016
(i) Current maturities of long-term debt*	203,940	147,200
(ii) Other Payables		
Payable to employees	-	68,164
Statutory dues	390,032	435,552
Basic Amenities	-	5,919,037
Advances received from Customers	2,992,146	1,814,000
Others	63,558	303,417
<b>Total</b>	<b>3,649,676</b>	<b>8,687,370</b>

\*Note: Refer note 3.A for nature of security and terms of repayment

**8. Short term Provisions**

Particulars	As at 31.3.2017	As at 31.3.2016
Provision for Employee benefits	(i) Gratuity	68,212,987
(ii) Others	-	-
<b>Total</b>	<b>68,217</b>	<b>22,987</b>

**10. Long term loans and advances**

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Security Deposit :</b>		
<b>Unsecured considered good</b>		
Deposit with Govt. Authorities	3,325,555	2,659,510
<b>Loans and advances to Related Parties</b>		
<b>Unsecured considered good</b>		
Advances to Related parties	163,890	163,890
<b>Other Loans &amp; Advance</b>		
<b>Unsecured considered good</b>		
Advances recoverable in cash or kind	1,500,000	1,520,000
<b>Total</b>	<b>4,989,445</b>	<b>4,343,400</b>

**11. Inventories**

Particulars	As at 31.3.2017	As at 31.3.2016
Finished Goods	32,562,373	37,367,096
<b>Total</b>	<b>32,562,373</b>	<b>37,367,096</b>

**12. Trade Receivables**

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Outstanding for More than six months</b>		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :	1,683,760	1,765,760
c) Doubtful		
<b>Outstanding for Less than six months</b>		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :		
c) Doubtful		
<b>Total</b>	<b>1,683,760</b>	<b>1,765,760</b>

**13. Cash and Cash Equivalents**

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Cash and Cash equivalents:</b>		
Cash on hand	232,287	378,752
<b>Balances with Banks</b>		
In current Account	46,043	68,478
<b>Total</b>	<b>278,330</b>	<b>447,230</b>

**14. Short term loans and advances**

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Short term loans and advances</b>		
<b>Unsecured, Considered Good :</b>		
Others	200,000	-
<b>Total</b>	<b>200,000</b>	<b>-</b>

## Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Notes : 8 Fixed Asset  
I. Fixed Assets

Sr. No	Particulars	Gross Block			Depreciation		Net Block	
		Value as on 01.04.2016	Addition during the year	Deduction during the year	Value as on 31.03.2017	For the year	Value as on 31.03.2017	WDV as on 31.03.2017
1	Tangible Assets							
	Building	20,494,836	-	-	20,494,836	1,163,422	9,338,142	12,300,116
	Plant & Equipment	2,805,680	-	-	2,639,685	32,539	2,662,224	143,456
	Furniture & Fixtures	1,922,100	-	-	1,858,221	3,372	1,861,593	63,879
	Vehicles	3,755,083	-	-	2,853,533	259,560	3,115,093	899,350
	Office Equipment	781,364	-	-	752,834	8,668	761,502	28,530
	Others	405,599	42,000	-	447,599	35,425	378,387	62,637
	<b>Total</b>	<b>30,164,662</b>	<b>42,000</b>	<b>-</b>	<b>30,206,662</b>	<b>1,502,986</b>	<b>18,136,941</b>	<b>12,069,721</b>
	(Previous Year)	<b>30,164,662</b>	<b>-</b>	<b>-</b>	<b>14,810,163</b>	<b>1,823,793</b>	<b>16,633,956</b>	<b>13,530,706</b>
								<b>15,354,512</b>

## 15 Revenue from Operations

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Sale of Farm Land	9,174,435	2,494,500
(b) Basic amenities	2,021,808	-
<b>Total</b>	<b>11,196,243</b>	<b>2,494,500</b>

## 16 Other Income

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Membership Fees and Other Miscellaneous Income	192,977	1,828,383
(b) Other Income	138,000	920,020
<b>Total</b>	<b>330,977</b>	<b>2,748,403</b>

## 17 Purchase of Stock in Trade

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Purchase of Farm Land	-	-
(b) Land Development Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 18 Changes in inventory

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
(a) Opening Balance	37,367,096	39,076,444
(b) Less: Closing Balance	32,562,373	37,367,096
<b>(Increase)/Decrease in Stocks(a-b)</b>	<b>4,804,723</b>	<b>1,709,348</b>

## 19 Employee Benefit Expenses

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Salaries, Wages and Bonus	1,020,043	1,304,878
Provident fund	109,441	62,981

Staff welfare expenses	140,226	8,724
Gratuity	45,230	-
<b>Total</b>	<b>1,314,940</b>	<b>1,376,583</b>

**20 Finance Costs**

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Bank Charges	4,072	4,358
Interest Paid	56,425	207,837
<b>Total</b>	<b>60,497</b>	<b>212,195</b>

**21 Other Expenses**

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Audit fees	34,500	23,100
Advertisement charges	8,006	26,761
Office Rent	280,032	279,384
Repairs & Maintenance	4,300	95,309
Local Conveyance	15,760	9,250
Business Promotion Expenses	106,903	122,846
Rates and Taxes	30,120	72,775
Petrol Expenses	61,000	7,862
Printing Expenses	15,110	28,758
Professional Charges	128,640	495,550
Postage & Courier	-	18,576
Telephone Charges	53,510	32,061
Office Expenses	126,918	37,649
Travelling Expenses	389,388	119,889
Miscellaneous Expense	104,657	122,772
Vehicle Maintenance	4,100	43,722
Bata expenses	43,950	84,125
Commission paid	806,932	-
Website charges	345,131	27,481
<b>Total</b>	<b>2,558,958</b>	<b>1,647,870</b>

**Sub Note1:Short term borrowings**

Particulars	As on 31/03/2017	As on 31/03/2016
Bank of Baroda	203,940	747,897
From Relatives	40,000	1,830,200
<b>Total</b>	<b>243,940</b>	<b>2,578,097</b>

**Sub Note2:Trade payables**

Particulars	As on 31/03/2017	As on 31/03/2016
Sundry creditors	2,128,988	2,914,151
Jain farms Private limited	4,050,895	4,500,895
Jain farms Palm oil limited	3,009,449	8,889,455
JF Construction	-	21,926
JF Trust	-	73,000
Payable to employees	118,216	-
Reimbursement -Darshan	96,000	-
Commission Payable	117,703	-
professional charges payable	2,000	-
rent payable	16,399	-
Audit fees	34,500	-
<b>Total</b>	<b>9,574,150</b>	<b>16,399,427</b>

**Sub Note3 .Other long term liabilities**

Particulars	As on 31/03/2017	As on 31/03/2016
<b>Basic amenities collected</b>	<b>5,693,092</b>	<b>-</b>
	<b>5,693,092</b>	<b>-</b>

**Sub Note4:Other current Liabilities**

Particulars	As on 31/03/2017	As on 31/03/2016
<b>Basic amenities collected</b>	<b>-</b>	<b>5,919,037</b>
	<b>-</b>	<b>5,919,037</b>

Audit fee Payable	-	34,500
EPF contributions payable	6,058	9,868
rent payable	-	28,146
professional charges payable	-	1,000
Commission Payable	-	117,703
Reimburshment -Darshan	-	112,200
Jain Farms Associatiom	57,500	-
<b>Other Payables</b>	<b>63,558</b>	<b>303,417</b>
<b>Statutory Dues</b>		
TDS Payable	-	22,305
Professional Tax	200	600
Service Tax	178,455	201,270
Vat Payable	211,377	211,377
	<b>390,032</b>	<b>435,552</b>
<b>Advance from Customer</b>	<b>2,992,146</b>	<b>1,814,000</b>

**Sub Note4:Long term loans and advances****Other Deposit**

Particulars	As on 31/03/2017	As on 31/03/2016
Eb Deposits	24,000	24,000
Income tax (appeal)	2,981,583	2,635,510
<b>Total</b>	<b>3,005,583</b>	<b>2,659,510</b>

**Sub Note5.Other Loans and Advances**

Particulars	As on 31/03/2017	As on 31/03/2016
Sudha Associates	1,000,000	1,000,000
B.S. Nalini	500,000	500,000
Advance -Raju ML	-	20,000
Pavan Kumar	163,890	163,890
<b>Total</b>	<b>1,500,000</b>	<b>1,520,000</b>

M/s. JAIN FARMS & RESORTS LIMITED  
# 59/1, Nakoda Arcade, 3rd Floor, Basavanagudi,  
Bangalore: 560 004

**20. NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31<sup>ST</sup> MARCH 2017****A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****a) Corporate Information**

Jain Farms & Resorts Limited (JFRL) was incorporated on 08<sup>th</sup> September 1994. JFRL is a leading real estate developer engaged in the business of acquiring farm lands, development and sells them to the needy. The Company also engaged in construction of cottages.

**b) Basis of Accounting**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**c) Inventories:-** Inventories are valued at lower of cost and estimated net realizable value.



**d) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company did not declare any dividend these years. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e) Net profit or Loss for the Period, Prior period items and Changes in Accounting Policies**

Ordinary activities as are of such size, nature, or incidence that their disclosure is relevant to explain the performance of the enterprise for the reporting period. Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such. On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

**f) Depreciation**

Depreciation on tangible assets is provided on the written down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a written down value, commencing from the date the asset is available to the Company for its use. As per Management's estimate the useful lives for the fixed assets as stated in the schedule II to the

Companies Act, 2013 are the useful life of the assets of the Company.

**g) Revenue Recognition**

The Company follows mercantile system of accounting for all activities. The activity wise accounting policies of the companies are as under :

- i. Horticultural Farm Lands:** -The Company buys large area farm lands, develops and maintains the same by adopting best agricultural practices and sells in smaller portions to the intending buyers. Present location of these farm land is at Baglur. The development of large area of farms includes providing access, irrigation facility, leveling, drilling of bore-well, etc. We are growing plants like, Teak, Mango, Guava, Sapota, Avenue tree, Gooseberry, Neem, Leman, Custard Apple and Pomegranate. The Company recognizes the revenue as and when the farm land sale deed is registered.
- ii. Maintenance of Horticultural Plots:** -Upon sale of farm land to prospective customers, Company also undertakes to maintain the same. Major maintenance activities are land leveling, planting, irrigating, etc., on a fixed price on monthly basis. The Company accounts those revenues as and related expenses on accrual basis.
- iii. Club life membership fee:** -The Company at the time of sale of plots to the intended customers collects club life membership fees to provide them the facilities like club infrastructure, recreational facilities, etc., The facilities listed above will be provided over future beneficial years during the course of business generally estimated to be ranging from 25-33 years. The Company follows AS-9 while accounting the same. The Company relies upon the decision of ITAT Special Bench, Chennai in the case of ACIT Vs. Mahindra Holidays & Resorts (India) Ltd and M/s. Sterling Holiday Resorts (India) Ltd., Vs. ACIT. Accordingly the Company writes backs 1/33th of the Club membership fees to Profit and Loss account every year and offers to tax.
- iv. Basic Amenities Collection:** -The Company at the time of sale

of plots to the intended customers collects charges for providing Basic Amenities like construction of gates, compounds, roads, irrigation lining, bore well etc., The facilities listed above will be provided over future beneficial years during the course of business generally estimated to be ranging from 25-33 years. The Company follows AS-9 while accounting the same. The Company rely upon the decision of ITAT Special Bench, Chennai in the case of ACIT Vs. Mahindra Holidays & Resorts (India) Ltd and M/s. Sterling Holiday Resorts (India) Ltd., Vs. ACIT. Accordingly the Company writes backs 1/33th of the Club membership fees to Profit and Loss account every year and offers to tax.

- v. **Registration expenses:-**The Company upon sale of farm land or residential plots collects money towards registration expenses as most of the customer request the Company to complete the registration process as well. This money is spent on registration expenses like, documentation charges, Khatas, Pattas, stamp duty, Registration fees, lawyers fee, stationery expenses etc. These proceeds are parked under current liabilities as there is no profit involved these.

**h) Tangible assets**

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized net, within "Other Income" or "Other Expenses", as

the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

**i) Foreign Currency transactions**

The reporting currency of the Company if Indian Rupees. There are no transactions involving foreign currency during the reporting period.

**j) Advances**

**Land Advances paid by the Company to the seller**

Intermediary payments toward outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Likewise advance received by the company from customers for sale of plot is stated under advance received from customer under current liabilities. During the reporting period, there were no advances received for construction activities.

**k) Segment Reporting**

The Company has operated in only one segment during the financial year 2016-17 namely development and sale of real estate products. Hence there no disclosure of segment wise revenue and assets as per AS-17 "Segment Reporting has been in during the year 2016-17. The Company operates primarily in India and there is no other significant geographical segment.

**l) Accounting for taxes for Income**

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax and the resultant asset can

be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

**m) Cash and cash equivalents**

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

**n) Borrowing costs**

Borrowing costs directly attributable to acquisition/ construction

of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible to be recognized as inventory/ capitalization are charged to statement of profit and loss.

**o) Investments**

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

**p) Employee benefits**

**Retirement benefits to employees**

**A Short term:**

Short term employee benefits include salaries and performance incentives. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or informal obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognized as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company

**B. Post-employment benefits:**

The Company offers its employees long term benefits by way of defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees

**a. Defined Contribution plan**

Eligible employees receive benefits from a provident fund, which is a

defined Contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

**b. Defined Benefit plan**

The obligation under defined benefit plan is accounted as per the estimation provided by the Management. Accordingly, during the year, the Management has provided Rs.45230/- towards estimation of Gratuity payable.

**q) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per 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.

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

**r) Leases**

A lease of assets where the risk and rewards of ownership are transferred by the owner by the end of the lease term is capitalized as finance lease. Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower. Depreciation on the assets taken on lease is

charged over the primary period of the lease. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease, based on the interest rate implicit in the lease

Other leases are operating leases and the leased assets are not recognized in the Company's Balance Sheet. Lease expenses on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred

**s) Impairment of Asset**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased

**t) Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required

to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is there, for that provision is made.

## B) NOTES FORMING PART OF ACCOUNTS AS ON 31<sup>ST</sup> MARCH 2017

**a) Contingent Liability:** -The company has filed an appeal before the Income tax appellate tribunal, Bangalore against the demand order for the Assessment years as mentioned bellow: -

Name of the Statute	Issued by	Nature of Dues	Amount in (Lakhs)	Period to which the amount relates in A.Y	Forum where the dispute is pending
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	61.72	2006-07	Income tax Appellate, Tribunal,Bangalore
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	24.87	2007-08	Income tax Appellate, Tribunal,Bangalore
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	11.68	2008-09	Income tax Appellate, Tribunal,Bangalore
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	Nil (loss reduced)	2009-10	Income tax Appellate, Tribunal,Bangalore
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	4.79	2010-11	Income tax Appellate, Tribunal,Bangalore
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	111.42	2011-12	Income tax Appellate, Tribunal,Bangalore
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	67.27	2012-13	Income tax Appellate, Tribunal,Bangalore
Income Tax Act 1961	Income Tax Officer-Ward 11(2)	Demand of Income Tax	62.82	2014-15	Income tax Appellate, Tribunal,Bangalore

Since the Company is confident of obtaining a favorable order it does not foresee any liability and hence no provision is created in books of accounts.

## b) Earnings per share

Particulars	2016-17	2015-16
Net profit attributable to Equity shareholders	12,85,116	(18,47,033)
Weighted average No. of Equity Shares	30,00,000	30,00,000
Basic and diluted Earnings per share (Face Value of Rs. 10-)	0.42	(0.62)

## c) MSMED disclosure

The company has not received any intimation from the suppliers regarding status under Micro, Small and Medium Enterprises Development Act, 2006(the Act) and hence disclosures regarding the same cannot be furnished in the financial statements. Further, the Company is making effort to get the confirmation from the suppliers as regard their status under the act.

## d) Provision for Income tax and deferred tax

The provision for Income tax for the year end 31<sup>st</sup> March 2017 has been made in the Books of the Company as per the estimation provided by the Management. The Company considers income from sale of Horticulture firm land and maintenance of horticulture plots as agricultural income which is exempt from Income tax. Hence such income has been excluded from Computation of Income Tax. Accordingly, Deferred tax as per AS 22 “Accounting for Taxes on Income” has not been provided for.

## e) Disclosure pursuant to Companies Act, 2013

### A. List of Related Parties

Sl.No.	Name of the Related party	Relationship
1	Jain farms palm oil Limited	Associated Company
2	Jain farms private limited	Associated Company
3	Jain farms Construction	Associated Enterprise
4	Jain farms Trust	Associated Enterprise
5	K Mangal Chand Jain HUF	Associated Enterprise
6	Pavan Kumar	Son of Director

**B. List of Key Management Personnel (KMP)**

Sl.No.	Name of the KMP	Relationship
1	K. Mangalchand Jain	Director
2	Mahaveersethi Jain	Director
3	Neeraj Agrwal	Director

**C. Transactions with Related parties:**

Nature of Transaction	Relationship	Related Party Name	Transaction during FY 2016-17 (In Rs.)	Outstanding as at Year ended 31 March 2017 (In Rs.)	Outstanding as at Year ended 31 March 2016 (In Rs.)
Trade Payables	Associated Company	Jain farms Palm Oil Limited	58,80,006/- (Amount Repaid)	30,09,449	88,89,455
	Associated Company	Jain farms Private Limited	4,50,000/- (Amount Repaid)	40,50,895	45,00,895
Long Term Borrowing	Key Managerial Personnel	K Mangal Chand	--	13,09,234	13,09,234
Short Term Borrowing	Associated Enterprise	K Mangal Chand Jain HUF	40,000	40,000	-
Advances given	Son of Director	Pavan Kumar	-	1,63,890	1,63,890
Trade payables	Associated enterprise	JF Trust	1,05,000 (Exp. Incurred)	178000	73000
Advances received from customers	Key Managerial Personnel	Chanchal Jain	1,24,200	11,50,000	12,74,200

**D. Payment to Auditors**

Particulars	FY 2016-17	FY 2015-16
Audit fee	34,500	30,000
Tax Audit fee	—	—
Other law & Taxation Matters	—	—
<b>Total</b>	<b>34,500</b>	<b>30,000</b>

E. Balances in certain long term / short term loans and advances, trade receivables, and current liabilities are subject to confirmation. In the opinion of Board of Directors, Current Assets and Short term and long term Loans and advances have at least the value as stated in Balance Sheet, if realized in the ordinary course of the business.

**F. Employee Benefits : The details required under AS 15 – Employee Benefits are as follows;**

Particulars	31/03/2017	31/03/2016
Present value of Defined benefit obligation		
Obligations at Period beginning	22,987	—
Service cost	45,230	22,987
Interest cost	—	—
Actuarial (Gain) / Loss	—	—
Benefits paid	—	—
<b>Obligations at Period at the end of the year</b>	<b>68,217</b>	<b>22,987</b>
Defined benefit obligation liability, on account of gratuity, as at the Balance Sheet date has not been funded.		
<b>Fair value of plan assets</b>		
Plan assets at period beginning at fair value	—	—
Expected return on plan assets	—	—
Actuarial (Gain) / Loss	—	—
Employers' Contributions	—	—
Benefits paid	—	—
<b>Plan assets at period end at fair value</b>	<b>—</b>	<b>—</b>
<b>Assets/liabilities recognized in the balance sheet</b>		
Fair value of plan assets at period end	—	—
Present value of the defined benefit obligations at the end of the period	—	—
Asset / (Liability) recognized in the balance sheet	68,217	22,987
<b>Assumptions</b>		
Discount rate	—	—
Estimated salary escalation rate	—	—
Gratuity Expenses recognized in the Statement of Profit and Loss	45,230	22,987

- G. The Company has paid rent under operating lease. There is no finance lease transaction entered during financial year 2016-17.
- H. No Managerial remuneration has been paid during current year and previous year.
- I. During the year the Company had specified notes or other denomination notes as defined in the MCA Notification G.S.R. 308(E) dated 31<sup>st</sup> March 2017 on the details Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. The denomination wise SBN's and other notes as per the notification is given below:

	SBN's	Other Denomination Notes	Total
Closing cash in Hand as on 08/11/2016	35000	400845	435845
(+) Permitted Receipts	0	5500	5500
(-) Permitted Payments	0	93616	93616
(-) Amount deposited in Banks	35000	0	35000
Closing cash in Hand as on 30/12/2016	0	312729	312729

**J. Expenditure and Income in foreign currency:**

Particulars	FY 2016-17	FY 2015-16
Expenditure in Foreign Currency	NIL	NIL
Income In Foreign currency	NIL	NIL

**K. Details of consumption and inventory of Land (Finished Goods)**

Particulars	FY 2016-17		FY 2015-16	
	Quantity (In Sft)	Value (In RS.)	Quantity (In Sft)	Value (In RS.)
Opening Stock	30,55,605	3,73,67,096	30,76,035	3,90,76,444
Purchases	—	—	—	—
Consumption	62,881	48,04,723	20,430	17,09,348
Closing Stock	29,92,724	3,25,62,373	30,55,605	3,73,67,096

Note: The entity deals in development and sale of land. All the inventory are considered as finished goods. No work-in progress inventory has been created during current financial year as well as previous financial year.

M/s JAIN FARMS AND RESORTS LIMITED

**K Mangal Chand Jain**  
Director

**Mahaveerchand Sethia**  
Director

**For Mishra & Co.,**  
Chartered Accountants

Sd/-

**Nilamadhab Mishra**

Proprietor

M.No:223157;FRN:012355S

Date:5/5/2017

Place: Bengaluru

## JAIN FARMS & RESORTS LIMITED

# 59/1, Nakoda Arcade, 3rd Floor, Basavanagudi, Bangalore: 560 004

PARTICULARS	31/03/2017	31/03/2016
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before Taxation and extraordinary items (before taxes)</b>	1,285,116	(1,526,886)
Adjustments for Depreciation	1,502,987	1,823,793
(Profit)/Loss on sale of Tangible assets		-
Interest Expenditure	56,425	207,837
Written off Assets	-	-
Interest Income		
Investment Income		
Other Non cash adjustments	-	(3,490,217)
<b>Operating Profit before working capital changes</b>	<b>2,844,528</b>	<b>(2,985,473)</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Trade Receivables	82,000	-
(Increase)/Decrease in Inventories	4,804,723	1,709,355
(Increase)/Decrease in Loans and advances	(846,045)	(183,890)
(Increase)/Decrease in Trade Payables	(6,825,277)	(1,073,847)
Increase/(Decrease) in Current Liabilities	(4,992,464)	2,502,976
Increase/(Decrease) in Long Term Provisions	(304,444)	-
Increase/(Decrease) in Short Term Provisions	-	-
Increase/(Decrease) in Long Term Liabilities	5,693,092	-
<b>Cash generated from Operations</b>	<b>456,113</b>	<b>(30,879)</b>
Taxes paid (Net of refunds)	-	-
Net cash generated from operations before extraordinary items	456,113	(30,879)
<b>Net cash generated from operating activities</b>	<b>456,113</b>	<b>(30,879)</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Asset	-	-
Investment Income	-	-
Interest received	-	-
Investment in Capital Work in progress	-	-
Purchase of Tangible/Intangible Assets	(42,000)	-
<b>Net Cash from Investing Activities</b>	<b>(42,000)</b>	<b>-</b>
<b>C. Cash flow from Financing Activities</b>		
Increase/(Repayment) of loans and advances	(526,589)	476,291
Proceeds from share capital increase	-	-
Proceeds from issue of share warrants	-	-
Interest paid	(56,425)	(207,837)
<b>Net cash raised in Financing activities</b>	<b>(583,014)</b>	<b>268,454</b>
<b>Net increase in cash and cash equivalents</b>	<b>(168,901)</b>	<b>237,575</b>
Cash and Cash equivalents at the beginning of the year	447,230	209,655
Cash and Cash equivalents at the end of the year	278,329	447,230

Place : Bangalore  
Date:05/05/2017

Sd/-  
**K.Mangal Chand Jain**  
Managing Director

Sd/-  
**Mahaveerchand Sethia**  
Director

As per our report of even date  
**For Mishra & Co.,**  
**Chartered Accountants**  
Sd/-  
**Nilamadhab Mishra**  
Proprietor

M.No. 223157, FRN: 012355S

## JAIN FARMS AND RESORTS LIMITED

CIN: U00019KA1994PLC016202

NO.59/1, NAKODA ARCADE, III FLOOR, DVG ROAD, BANGALORE-560004

Email: mangal100100@gmail.com Ph: 080 26629440

### ATTENDANCE SLIP

DP ID.		FOLIO NO.	
CLIENT ID		NO. OF SHARES	

Name & Address of Shareholder / Proxy holder

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Saturday, the 30<sup>th</sup> day of September, 2017 at Country Club, No.95, Basavanapura, Bannerghatta Road, Bangalore-5600083 at 10.30 A.M.

Member's / Proxy's  
Signature

(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall)

### PROXY FORM

DP ID.		FOLIO NO.	
CLIENT ID		NO. OF SHARES	

I/We \_\_\_\_\_ of \_\_\_\_\_ Being a Member / Members of \_\_\_\_\_ Limited hereby appoint Mr. / Ms. \_\_\_\_\_ as my / our Proxy to attend and vote for me / us and on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30<sup>th</sup> day of September, 2017 and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix  
Re.1/-  
Revenue  
Stamp

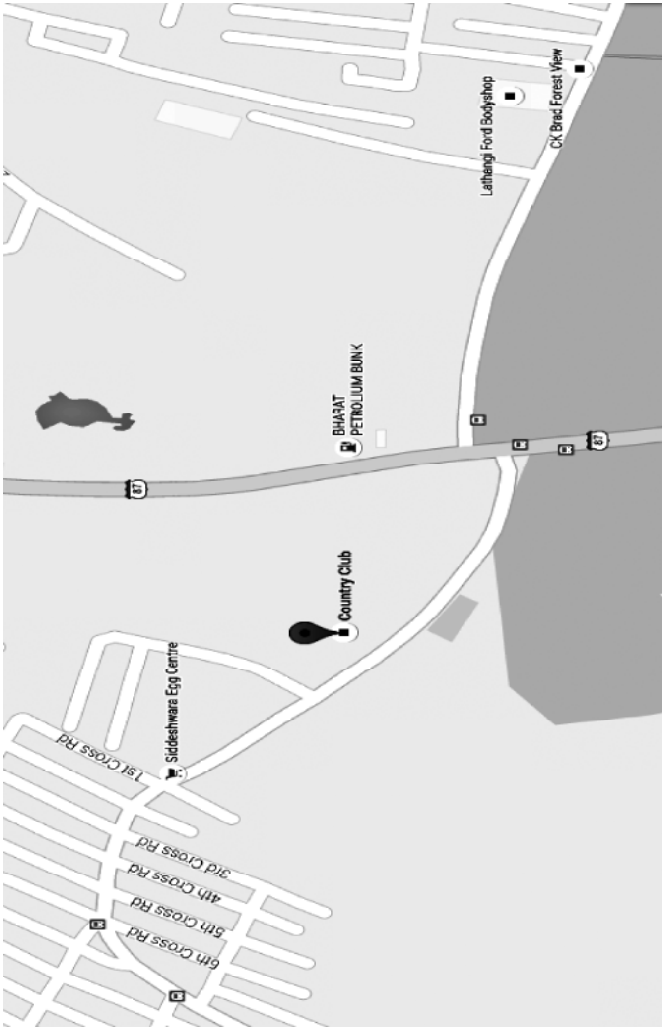
Proxy form must reach company's registered office not later than 48 hours before the commencement of the meeting

FOR OFFICE USE ONLY  
DATE OF RECEIPT



**ROUTE MAP TO THE VENUE OF THE ANNUAL  
GENERAL MEETING:**

**Country Club, No.95, Basavanapura, Bannerghatta Road,  
Bangalore-560083**



Book Post

*If undelivered please return to*

**JAIN FARMS AND RESORTS LTD**

Regd. Office : No. 59/1, 3rd Floor, Nakoda Arcade  
D V G Road, Basavanagudi, Bangalore - 560 004.