J. J. FINANCE CORPORATION LTD.

Regd. Off. : 3C Park Plaza, 71 Park Street, Kolkata 700 016
CIN : L65921WB1982PLC035092

Tel : 2229-1083/84/6000
Fax : 091 33 2229 1089
E-mail : jjfc@jjauto.org
Website : www.jjfc.co.in

Date: 14.11.2017

To
Bombay Stock Exchange Limited
25th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

Dear Sir,

Sub: Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2016-17.

Pursuant to Regulation 34 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Annual Report for the year 2016-17 of J. J. Finance Corporation Limited.

Kindly take the same on your record and oblige.

Thanking you
Yours faithfully
For J. J. Finance Corporation Limited

Nigam

Ankita Nigam
Company Secretary & Compliance Officer

Encl: As above

34th

ANNUAL REPORT

2016-2017

J. J. FINANCE CORPORATION LTD.

J. J. FINANCE CORPORATION LIMITED

34th Annual Report 2016-17

BOARD OF DIRECTORS :

Mr. Anil Jhunjhunwala, *Director*
Mr. Shyam Bagaria, *Director*
Mr. Rajesh Poddar, *Director*
Mr. Brajesh Kumar Dhandhania, *Independent Director*
Mrs. Hilla Eruch Bhathena, *Independent Woman Director*

MANAGEMENT EXECUTIVES :

Mr. Rabi Kumar Almal, *Chief Executive Officer*
Mr. Hriday Mondal, *Chief Financial Officer*

COMPANY SECRETARY :

Ms. Ankita Nigam

REGISTERED OFFICE :

3C, Park Plaza, 71, Park Street
3rd Floor, South Block
Kolkata - 700 016

STATUTORY AUDITOR :

M/S. Chaturvedi & Partners
Chartered Accountants
1/1, Meredith Street, Kolkata - 700 072

INTERNAL AUDITOR :

M/S. Guha & Matilal
Chartered Accountants
20, Strand Road, Kolkata - 700 001

SECRETARIAL AUDITOR :

M/S. Corporate Advisors Law Professionals LLP
2, Synagogue Street, Kolkata - 700 001

LEGAL ADVISOR :

R. L. Gaggar & Co.

BANKER :

Indian Overseas Bank

SHARE TRANSFER AGENT :

M/S. Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 71, B.R.B. Basu Road
Kolkata - 700 001

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Annual General Meeting

Date : 15th September, 2017 at 03 : 00 p.m.
Venue : At Registered Office

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Thirty Fourth (34th) Annual Report and the Audited Financial Statements on the business and operations of your Company for the year ended 31st March, 2017.

FINANCIAL RESULTS

Particulars	₹ in thousand's	
	For the year ended 31st March	
	2017	2016
Profit before Depreciation and Tax	4090	2214
Less : Depreciation	98	102
Profit before Tax :	**3992**	**2112**
Current Tax	765	360
Deferred Tax	(44)	(22)
Income Tax for earlier year	–	4
Profit after Tax	**3271**	**1770**
Add : Balance brought forward from last year	15314	13914
Less : Transferred to Reserve U/s 45-IC of RBI Act, 1934	655	360
Provision towards Standard Assets	20	10
Balance carried forward	17910	15314

SUMMARY OF OPERATIONS

During the year, the net revenue from operations of your Company increased by 50.58%, from ₹ 41.62 Lakhs to ₹ 62.67 Lakhs. For FY 2016 - 17, your Company's profit after tax stood at ₹ 32.71 Lakhs vis-à-vis ₹ 17.70 Lakhs in the previous year, increased by 84.80%.

SHARE CAPITAL

During the year, the Company did not allot any shares nor did grant any stock options or sweat equity. As on March 31, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

As on 31st March, 2017, the issued, subscribed and paid up share capital of your Company stood at ₹ 2.82 crore, comprising 28.2 lakh Equity shares of ₹ 10/- each.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

Your Company does not have any Subsidiary, Associate Companies or Joint Ventures. Accordingly, the disclosure of the financial statement of subsidiaries/associate companies/joint ventures as required pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC-1 is not applicable. However, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on determination of Material Subsidiaries. The policy has been uploaded on the website of the Company at http://www.jjfc.co.in.

DIVIDEND AND RESERVES

In order to consolidate the position of the Company, Directors do not recommend any Dividend for the year ended 31st March, 2017. During the year, your Company transferred a sum of ₹ 6.557 lakhs to Special Reserve as per Section 45-IC of RBI Act, 1934.

PUBLIC DEPOSITS

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Your Company had no significant and material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is enclosed as Annexure 1.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business. The same is enclosed as Annexure 2.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice of each Board Meeting along with the agenda is given in writing to each Director separately and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board.

In the financial year 2016-17, the Board met seven times. The meetings were held on 22nd April, 2016, 26th May, 2016, 15th July, 2016, 10th August, 2016, 15th September, 2016, 07th November, 2016, and 13th February, 2017. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMMITTEES OF BOARD

The details of current composition of the Committees of the Board of Directors are as under :

a. Audit Committee

Sl. No.	Name	Category of Directors / Members	Chairman / Members
1	Mrs. Hilla Eruch Bhathena	Independent Director	Chairperson
2	Mr. Anil Jhunjhunwala	Non- Executive Director	Member
3	Mr. Brajesh Kumar Dhandhania	Independent Director	Member

During the year, the Committee had met on 26th May, 2016, 07th July, 2016, 10th August, 2016, 07th November, 2016 and 13th February, 2017.

b. Nomination & Remuneration Committee

Sl. No.	Name	Category of Directors / Members	Chairman / Members
1	Mrs. Hilla Eruch Bhathena	Independent Director	Chairperson
2	Mr. Rajesh Poddar	Non- Executive Director	Member
3	Mr. Brajesh Kumar Dhandhania	Independent Director	Member

During the year, the Committee had met on 08th April, 2016 and 28th March, 2017.

c. Stakeholders' Relationship Committee

Sl. No.	Name	Category of Directors / Members	Chairman / Members
1	Mr. Anil Jhunjhunwala	Non-Executive Director	Chairman
2	Ms. Ankita Nigam	Company Secretary	Member

During the year, the Committee had met on 19th February, 2016, 17th March, 2016, 16th July, 2016, 03rd October, 2016, and 17th February, 2017.

MEETING OF INDEPENDENT DIRECTORS

As required under Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Act, the Independent Directors of the listed entity hold at least one meeting in a year, without the presence of non-independent directors to discuss the matters specified therein.

Sl. No.	Name	No. of Meetings held	No. of Meetings attended
1	Mr. Brajesh Kumar Dhandhania	1	1
2	Mrs. Hilla Eruch Bhathena	1	1

During the year, a meeting of Independent Directors was held on 26th November, 2016. All Independent Directors were present in the meeting.

Types of Meeting	Date of Meeting	Names of Directors'/ Members Present
Board Meetings	22.04.2016	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria & Mr. Vijay Burman.
	26.05.2016	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria & Mr. Vijay Burman.
	15.07.2016	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria & Mr. Vijay Burman.
	10.08.2016	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria & Mr. Vijay Burman.
	15.09.2016	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria & Mr. Vijay Burman.
	07.11.2016	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	13.02.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
Audit Committee Meetings	26.05.2016	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhania.
	07.07.2016	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhania.
	10.08.2016	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhania.
	07.11.2016	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhania.
	13.02.2017	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhania.

Types of Meeting	Date of Meeting	Names of Directors'/ Members Present
Annual General Meeting	14.09.2016	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria & Mr. Vijay Burman.
Nomination & Remuneration Committee Meetings	08.04.2016	Mr. Brajesh Kumar Dhandhania, Mrs. Hilla Eruch Bhathena & Mr. Rajesh Kumar Poddar.
	28.03.2017	Mr. Brajesh Kumar Dhandhania, Mrs. Hilla Eruch Bhathena & Mr. Rajesh Kumar Poddar.
Stakeholder Relationship Committee Meeting	19.02.2016	Mr. Anil Jhunjhunwala & Ms. Ankita Nigam.
	17.03.2016	Mr. Anil Jhunjhunwala & Ms. Ankita Nigam.
	16.07.2016	Mr. Anil Jhunjhunwala & Ms. Ankita Nigam.
	03.10.2016	Mr. Anil Jhunjhunwala & Ms. Ankita Nigam.
	17.02.2017	Mr. Anil Jhunjhunwala & Ms. Ankita Nigam.
Meeting of Independent Directors	26.11.2016	Mr. Brajesh Kumar Dhandhania & Mrs. Hilla Eruch Bhathena

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Anil Jhunjhunwala, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

During the year, no new Directors have been appointed in the Company.

There has been no change in the Key Managerial Personnel of the Company during the year.

Directors / KMPs as on 01.04.2016	Appointments during the year	Resignation / Retirement during the year	Directors / KMPs as on 31.03.2017
Mr. Anil Jhunjhunwala	–	–	Mr. Anil Jhunjhunwala
Mr. Rajesh Kumar Poddar	–	–	Mr. Rajesh Poddar
Mr. Shyam Bagaria	–	–	Mr. Shyam Bagaria
Mr. Brajesh Kumar Dhandhania	–	–	Mr. Brajesh Kumar Dhandhania
Mrs. Hilla Eruch Bhathena	–	–	Mrs. Hilla Eruch Bhathena
Mr. Rabi Kumar Almal (CEO)	–	–	Mr. Rabi Kumar Almal (CEO)
Ms. Ankita Nigam (CS)	–	–	Ms. Ankita Nigam (CS)
Mr. Hriday Mondal (CFO)	–	–	Mr. Hriday Mondal (CFO)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that :

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Brajesh Kumar Dhandhania and Mrs. Hilla Eruch Bhathena are Independent Directors on the Board of your Company. These Non-Executive Independent Directors fulfill the conditions of Independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with the requirement of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as entered into with the Stock Exchanges. A format of letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and disclosed on the website of the Company at http://www.jjfc.co.in.

VIGIL MECHANISM

Pursuant to the requirement of the Act, the Company has in place a vigil mechanism policy to report genuine concerns or grievances. The Vigil Mechanism Policy has been posted on the website of the Company at http://www.jjfc.co.in.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of all Committees of the Board for the Financial Year 2016-17. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

The directors expressed their satisfaction with the evaluation process.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION

In accordance with Section 178 of the Companies Act, 2013, the Board of Directors has in place a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and remuneration policy for KMP and others. The Policy of Nomination and Remuneration Committee has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonably sufficient to attract, retain and motivate them to successfully run the Company. The Details of Remuneration paid by the Company is given in MGT-9 of the Annual Report. The policy has been uploaded on the website of the Company at http://www.jjfc.co.in.

Based on the recommendations of the Nomination and Remuneration Committee, the Board approved a Nomination and Remuneration Policy which is attached as Annexure 4.

DISCLOSURE ON REMUNERATION TO EMPLOYEES EXCEEDING SPECIFIED LIMITS

The Company had no employees who were in receipt of remuneration in excess of ₹ 60 lakhs per annum during the year ended 31st March, 2017 or of more than ₹ 5 lakhs per month during any part thereof, so no information under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to Members and others entitled thereto excluding the information on employees particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

The Company affirms that remuneration is as per the Remuneration Policy of the Company.

INTERNAL FINANCIAL CONTROLS

Effective Internal Controls are necessary for building up an efficient organization. Our Company has adequate Internal Control systems in place to ensure accuracy, transparency and accountability in its operations. A dedicated concurrent audit team functioning within the Company confirms that the activities are in compliance with its policies and occurrences of deviations are reported to the Management. The concurrent audit report is reviewed by the internal auditors - M/s Guha & Matilal, a firm of practicing Chartered Accountants. Internal auditors review operations of the Company and ensure that the Company is functioning within the limits of all applicable statutes. Any Internal Control weaknesses, non compliance with statutes and suggestions on improvements in existing practices form part of internal audit report. Audit Committee reviews the internal audit report and ensures that observations pointed out in the report are addressed in a timely and structured manner by the Management. The Internal Audit Report is reviewed by Statutory Auditors while performing audit functions to confirm that there are no transactions conflicting with interests of the Company. The Internal Financial Controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. Further, it is believed that the controls are largely operating effectively since there has not been any identification of any major material weakness in the company. The directors have in the Directors Responsibility Statement under paragraph (e) confirmed the same to this effect.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the tenure of current auditors - M/s Chaturvedi & Partners, Chartered Accountants, as Statutory Auditors of the Company shall come to an end at the conclusion of the 34th Annual General Meeting of the Company to be held in the year 2017.

The Board of Directors places on record its appreciation for the services rendered by M/s Chaturvedi & Partners, Chartered Accountants, as Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors and the Audit Committee have recommended the appointment of M/s A K Dubey & Co, Chartered Accountants (ICAI Firm Registration Number 307068E) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, for a term of five consecutive years, to hold office from the conclusion of the ensuing 34th Annual General Meeting until the conclusion of 39th Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Audit Committee of the Board. M/s A K Dubey & Co, Chartered Accountants (ICAI Firm Registration Number 307068E) being eligible have consented and offered themselves for appointment as statutory auditors for conducting audit of accounts for five consecutive financial years starting from 2017-18.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Members' attention is drawn to a Resolution proposing the appointment of M/s A K Dubey & Co as Statutory Auditors of the Company which is included at Item No. 3 of the Notice convening the Annual General Meeting.

The current Statutory Auditor M/s Chaturvedi & Partners, Chartered Accountants, have submitted their Report on the financial statements of the Company for the FY 2016-17, which forms part of the Annual Report 2016-17. There are no observations (including any qualification, reservation or adverse remark) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

SECRETARIAL AUDITOR AND THEIR REPORT

In terms of Section 204 of the Act and Rules made there under, M/s. Corporate Advisors Law Professionals LLP, represented by Ms. Disha Dugar, Practicing Company Secretary, had been appointed Secretarial Auditor of the Company. The Secretarial Audit Report, enclosed as Annexure 3 is self-explanatory and does not call for any further comments.

INTERNAL AUDITOR AND THEIR REPORT

The Company had appointed internal auditors, M/s Guha & Matilal, a firm of practicing Chartered Accountants to carry out the internal audit functions. The Internal auditor submits half yearly reports to the audit committee. The Internal Auditors' Reports are self explanatory and therefore does not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Act pertaining to investment and lending activities are not applicable to the Company since the Company is a Non Banking Financial Company. Details of guarantees and/or security in connection with loans to other body corporate or persons are given in notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has in place a Policy on Related Party Transactions which is also available on Company's

website at http://www.jjfc.co.in. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. The Company obtains prior omnibus approvals, if required, for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length basis. The provisions of Section 188(1) do not attract as all Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

At J. J. Finance Corporation Limited, Human Resources follow an integrated approach that combines employee recognition, training and mentoring. The Company maintains open communication channels with workforce and keeps them engaged with its objectives towards attainment of healthy employer-employee relationship.

Industrial relations were cordial throughout the year under review.

RISK MANAGEMENT POLICY

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The Risk Management policy inter alia provides for review of the risk assessment and minimization procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that management controls the risks through properly defined framework.

CORPORATE GOVERNANCE

Since the paid up share capital of your Company and its net-worth was below the prescribed limits under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Corporate Governance is not applicable to the Company in the financial year 2016-2017.

CORPORATE SOCIAL RESPONSIBILTY

Since your Company does not fall under the threshold laid down in section 135 of the Companies Act, 2013, the provision of section 134(3)(o) of the Companies Act, 2013 is not applicable and no disclosure is required by the Board.

DISCLOSURE PURSUANT TO LISTING REGULATIONS

Necessary disclosures pursuant to listing regulations are made hereunder:-

The shares of the company are listed on the following Stock Exchanges in the period under review.

	Name and Address of the Stock Exchange	Security Listed
1.	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700001	Equity Shares
2.	BSE Limited 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001	Equity Shares

The Listing fees to The Calcutta Stock Exchange Ltd. and BSE Limited for the Financial Year 2017 – 18 have been paid.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

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

The Company, being a Non–Banking Finance Company (NBFC), does not have any manufacturing activity neither does it have any foreign exchange earnings or any foreign exchange outgo. The Directors, therefore, have nothing to report on conservation of energy and technology absorption.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the Financial Year 2016-17, no complaints of sexual harassment were reported.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their perennial support during the year.

We also express our gratitude towards the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

	Anil Jhunjhunwala	Shyam Bagaria
Place : Kolkata	*Director*	*Director*
Dated : 22nd July, 2017	DIN : 00128717	DIN : 00121949

ANNEXURE 1

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

I. REGISTRATION AND OTHER DETAILS :

(i)	CIN	:	L65921WB1982PLC035092
(ii)	Registration Date	:	17th July, 1982
(iii)	Name of the Company	:	J J Finance Corporation Limited
(iv)	Category/Sub-Category of the Company	:	Company Limited by Shares Indian Non Government Company
(v)	Address of the Registered Office and contact details	:	3C, Park Plaza, 71 Park Street, 3rd Floor, South Block, Kolkata - 700 016 Phone No. +91-33-2229-1083 / 84 / 6000
(vi)	Whether listed Company (Yes/No)	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001 Phone No. +91-33-2235-7271/70

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Financial Income	6499*	78.3
2	Electricity Generation	3510*	21.7

* The NIC code of the Product or Service has been mentioned as per the Ministry of Statistics and Product Implementation. Link:- http://mospi.nic.in/Mospi_New/upload/nic_2008_17apr09.pdf

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name And Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
Company does not have any Holding, Subsidiary or Associate Companies.					

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

i) (a) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**PROMOTERS**									
(1)	**Indian**									
	a) Individual / HUF	581661	1800	583461	20.690	583495	0	583495	20.691	0.001
	b) Centran Government									
	c) State Government									
	d) Bodies Corporate	702329	0	702329	24.905	702329	0	702329	24.905	0.000
	e) Banks / Financial Institutions									
	f) Any Other									
	Sub-total (A)(1)	**1283990**	**1800**	**1285790**	**45.595**	**1285824**	**0**	**1285824**	**45.597**	**0.002**
(2)	**Foreign**									
	a) NRIs - Individuals									
	b) Other - Individuals									
	c) Bodies Corporate									
	d) Banks / Financial Institutions									
	e) Any Other									
	Sub-total (A)(2)	**0**	**0**	**0**	**0.000**	**0**	**0**	**0**	**0.000**	**0.000**
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**1283990**	**1800**	**1285790**	**45.595**	**1285824**	**0**	**1285824**	**45.597**	**0.002**
B.	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
	a) Mutual Funds									
	b) Banks / Financial Institutions									
	c) Central Governments									
	d) State Governments									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) Foreign Institutional Investors (FII)									
	h) Foreign Venture Capital Funds									
	i) Others (Specify)									
	Sub-total (B)(1)	**0**	**0**	**0**	**0.000**	**0**	**0**	**0**	**0.000**	**0.000**
(2)	**Non-Institutions**									
	a) Bodies Corporate									

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	i) Indian	203257	341475	544732	19.317	202416	341475	543891	19.287	-0.030
	ii) Overseas									
b.	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	89736	429446	519182	18.411	92831	428346	521177	18.481	0.070
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 l	317966	150000	467966	16.595	317966	150000	467966	16.595	0.000
	c) Others Specify									
	1. NRI	257	100	357	0.013	26	100	126	0.004	-0.009
	2. Overseas Corporate Bodies									
	3. Foreign Nationals									
	4. Clearing Members	1973	0	1973	0.070	1016	0	1016	0.036	-0.034
	5. Trusts									
	6. Foreign Bodies - D.R.									
	Sub-total (B)(2)	**613189**	**921021**	**1534210**	**54.405**	**614255**	**919921**	**1534176**	**54.403**	**-0.002**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**613189**	**921021**	**1534210**	**54.405**	**614255**	**919921**	**1534176**	**54.403**	**-0.002**
C.	**Shares held by Custodian for GDRs & ADRs**									
	GRAND TOTAL (A+B+C)	**1897179**	**922821**	**2820000**	**100.000**	**1900079**	**919921**	**2820000**	**100.000**	**0.000**

B. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of 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	A. K. JHUNJHUNWALA	45800	1.624	0.000	45800	1.624	0.000	0.000
2	ANIL JHUNJHUNWALA	134794	4.780	0.000	134828	4.781	0.000	0.001
3	ANITA KANOI	20100	0.713	0.000	20100	0.713	0.000	0.000
4	J. J. AUTOMOTIVE LTD.	27100	0.961	0.000	27100	0.961	0.000	0.000
5	J.J. PROJECTS PVT. LTD	549729	19.494	0.000	549729	19.494	0.000	0.000
6	K P JHUNJHUNWALA	139425	4.944	0.000	139425	4.944	0.000	0.000
7	K. P. JHUNJHUNWALA	50100	1.777	0.000	50100	1.777	0.000	0.000
8	KANAKLATA JHUNJHUNWALA	142000	5.035	0.000	142000	5.035	0.000	0.000
9	KOHINOOR STOCK BROKING PVT LTD	125500	4.450	0.000	125500	4.450	0.000	0.000
10	VEDIKA JHUNJHUNWALA	24292	0.861	0.000	24292	0.861	0.000	0.000
11	VIDHI BERI	26950	0.956	0.000	26950	0.956	0.000	0.000
	Total	**1285790**	**45.595**	**0.000**	**1285824**	**45.597**	**0.000**	**0.002**

C. Change in Promoter's Shareholding

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	A. K. JHUNJHUNWALA				
	a) At the Begining of the Year	45800	1.624		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			45800	1.624
2	ANIL JHUNJHUNWALA				
	a) At the Begining of the Year	134794	4.780		
	b) Changes during the year				
	Date Reason				
	31/03/2017 Transfer	34	0.001	134828	4.781
	c) At the End of the Year			134828	4.781
3	ANITA KANOI				
	a) At the Begining of the Year	20100	0.713		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			20100	0.713
4	J. J. AUTOMOTIVE LTD.				
	a) At the Begining of the Year	27100	0.961		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			27100	0.961
5	J.J. PROJECTS PVT. LTD				
	a) At the Begining of the Year	549729	19.494		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			549729	19.494
6	K P JHUNJHUNWALA				
	a) At the Begining of the Year	139425	4.944		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			139425	4.944
7	K. P. JHUNJHUNWALA				
	a) At the Begining of the Year	50100	1.777		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			50100	1.777
8	KANAKLATA JHUNJHUNWALA				
	a) At the Begining of the Year	142000	5.035		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			142000	5.035

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	KOHINOOR STOCK BROKING PVT LTD				
	a) At the Begining of the Year	125500	4.450		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			125500	4.450
10	VEDIKA JHUNJHUNWALA				
	a) At the Begining of the Year	24292	0.861		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			24292	0.861
11	VIDHI BERI				
	a) At the Begining of the Year	26950	0.956		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			26950	0.956
	T O T A L	**1285790**	**45.595**	**1285824**	**45.597**

D. Change in Promoter's Shareholding

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASHARAM SARDA				
	a) At the Begining of the Year	245000	8.688		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			245000	8.688
2	ASHISH VINIMAY PVT. LTD.				
	a) At the Begining of the Year	60000	2.128		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			60000	2.128
3	BAJAJ TRADE DEVELOPMENTS LTD				
	a) At the Begining of the Year	50000	1.773		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			50000	1.773
4	BULA MODAK				
	a) At the Begining of the Year	70000	2.482		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			70000	2.482
5	C D COMPUTERS PVT. LTD.				
	a) At the Begining of the Year	127525	4.522		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			127525	4.522

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	MANORMA ALMAL				
	a) At the Begining of the Year	26116	0.926		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			26116	0.926
7	NITIN FINVEST PRIVATE LIMITED				
	a) At the Begining of the Year	50000	1.773		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			50000	1.773
8	RESOURCE VINCOM PRIVATE LIMITED				
	a) At the Begining of the Year	135384	4.801		
	b) Changes during the year				
	Date Reason				
	31/03/2017 Transfer	-34	0.001	135350	4.800
	c) At the End of the Year			135350	4.800
9	SANJAY KUMAR MODAK				
	a) At the Begining of the Year	23500	0.833		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			23500	0.833
10	SHIV PUJAN SINGH				
	a) At the Begining of the Year	80000	2.837		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			80000	2.837
	T O T A L	867525	30.763	867491	30.762

E. Shareholding of Directors and Key Managerial Personnel

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANIL JHUNJHUNWALA				
	a) At the Begining of the Year	134794	4.780		
	b) Changes during the year				
	Date Reason				
	31/03/2017 Transfer	34	0.001	134828	4.781
	c) At the End of the Year			134828	4.781
2	K P JHUNJHUNWALA				
	a) At the Begining of the Year			139425	4.944
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			139425	4.944
3	RABI KUMAR ALMAL				
	a) At the Begining of the Year	23350	0.828		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			23350	0.828
4	SHYAM BAGARIA				
	a) At the Begining of the Year	1500	0.053		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1500	0.053
	T O T A L	**299069**	**10.605**	**299103**	**10.606**

V. Indebtedness

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

For Each of the Top 10 Shareholders		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year		The Company has no Indebtness during the year			
i)	Principal Amount				
ii)	Interest due but not paid				
iii)	Interest accrued but not due				
Total (i+ii+iii)					
Change in Indebtedness during the financial year					
i)	Addition				
ii)	Reduction				
Net Change					
Indebtedness at the end of the financial year					
i)	Principal Amount				
ii)	Interest due but not paid				
iii)	Interest accrued but not due				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl. No.	Particulars of Remuneration		Name of MD/WTD/ Manager	Total Amount
1	Gross Salary		The Company has no Managing Director, Whole Time Director or Manager during the year.	
	(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)	Profit 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, please specify			
	Total (A)			
	Ceiling as per the Act			

B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Names of Directors			Total Amount
1	**Independent Directors**	**Mr. Brajesh Kumar Dhandhania**	**Mrs. Hilla Eruch Bhathena**		
	– Fee for attending board committee meetings	–	–	–	–
	– Commission	–	–	–	–
	– Others, please specify	–	–	–	–
	Total (1)	–	–	–	–
2	**Other Non-Executive Directors**	**Mr. Anil Jhunjhunwala**	**Mr. Shyam Bagaria**	**Mr. Rajesh Kumar Poddar**	
	– Fee for attending board committee meetings	–	–	–	–
	– Commission	–	–	–	–
	– Others, please specify	–	–	–	–
	Total (2)	–	–	–	–
	Total (B)=(1+2)	–	–	–	–
	Total Managerial Remuneration	–	–	–	–
	Overall Ceiling as per the Act				

Note : 1. No remuneration was paid to other Directors during the year as they all are in either Non-Executive Directors or Independent Directors.

C. Remuneration to Key Managerial Personnel, other than MD / Manager / WTD :

Sl. No.	Particulars of Remuneration		Key Managerial Personnel			
			Mr. Rabi Kumar Almal (Chief Executive Officer)	Ms. Ankita Nigam (Company Secretary)	Mr. Hriday Mondal (Chief Financial Officer)	Total Amount
1	Gross Salary					
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	₹ 2,16,000	₹ 2,40,000	₹ 2,04,000	₹ 6,60,000
	(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–	–	–
	(c)	Profit 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, please specify		–	–	–	–
	TOTAL		**₹ 2,16,000**	**₹ 2,40,000**	**₹ 2,04,000**	**₹ 6,60,000**

VII. PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type		Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
A	**COMPANY**	There were no cases of penalties, punishments or compounding of offences during the year				
	Penalty					
	Punishment					
	Compounding					
B.	**DIRECTORS**					
	Penalty					
	Punishment					
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment					
	Compounding					

ANNEXURE 2

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Non Banking Financial Companies play a vital role in the financial sector of our economy along with other financial institutions. Over the years, due to their strategic management practices and refined operational techniques coupled with lower costs of delivery, lower restrictions on customers etc., have led to it being an alternate choice and at times the first choice for several customers, who need financing. While the RBI has made regulations stringent for the NBFCs, it has also recognized the utility of the NBFCs and thereby made them eligible to set up Banks and also act as an extension of Banks, where the Banks cannot reach. Due to the increase in finance space by NBFCs, the RBI's surveillance has increased. Through its various regulatory measures NBFCs are brought under stricter supervisory regime of RBI. While several steps are being taken to increase the role that the NBFCs play, norms are being strengthened to ensure that there is a strong, transparent and robust non banking financial sector.

OPPORTUNITIES AND THREATS

Opportunities

Reports from the World Bank indicate that Non Banking Financial Institutions act as critical pillars contributing to macroeconomic stability and sustained economic growth and prosperity, due to their ability to finance firms and individuals at a reasonable cost, reduce volatility by providing multiple sources to finance and park funds and enable creation of a competitive environment characterized by a diverse array of products. This has been proven time and again in developed markets. Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial Services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space. Going forward, one should expect NBFCs to further strengthen their presence in retail finance and grow at a reasonably healthy pace.

Threats

The biggest challenge before NBFCs is that they are facing stiff competition from banks and financial institutions, due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which is making difficult for them to give cheaper finance. Ever-increasing competition from commercial counterparts whose capacity to absorb losses is higher, counter-party failures, recommendations being made to increase the purview of monitoring by regulatory authorities increase the threat of losing the essence of Non-banking Finance Companies which are specifically designed to reach out and finance certain target groups.

SEGMENT –WISE PERFORMANCE

The Company is a Non Banking Finance Company (NBFC). It is engaged in the business of financing which is the major segment in the Company. Besides financing, your Company is also involved in generation of electricity through its windmill located in Tamil Nadu. Hence, the results for the year under review pertain to both financing activity and electricity generation. Detailed segment wise revenue break-up is shown in the notes to financial statements.

OUTLOOK

As the markets continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2016-17.

RISKS AND AREAS OF CONCERN

The NBFC industry in general faces the risk of re-entry and new entry of players and existence of several unorganized regional players increasing the competition which mainly affects the asset quality. This is further characterized by captive NBFCs floated by other business houses. The ever existing systemic and delinquency risks and fluctuations in interest rates make the companies more vulnerable. Deployment of funds in sensitive and volatile sectors increases the risk exposure while concentration risk increases dependency

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control measures and systems are established to ensure the correctness of the transactions and safeguarding of the assets of the Company. The Management ensures adherence to all internal control policies and procedures as well as compliance with regulatory guidelines. The audit committee of the Board of Directors reviews the adequacy of internal controls. This has improved the management of the affairs of the Company and strengthened transparency and accountability.

DISCUSSION ON FINANCIAL PERFORMANCE

During the year, the net revenue from operations of your Company increased by 50.58 %, from ₹ 41.62 Lakhs to ₹ 62.67 Lakhs. For FY 2016 - 17, your Company's profit after tax stood at ₹ 32.71 Lakhs vis-à-vis ₹ 17.70 Lakhs in the previous year, registering a growth of 84.80 %.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company always considers its human resources as a valuable asset and is committed towards their development for continuous growth. Focus on training to enhance the skill-sets of employees in line with the business and market requirements continued throughout the year and it confers recognition based on merit. The employee relations have continued to be harmonious throughout the year. The Company has three (3) permanent employees as on 31st March 2017.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic and political conditions in which the Company operates, interest rate fluctuations, changes in Government / RBI regulations, Tax laws, other statutes and incidental factors.

ANNEXURE 3

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

J J Finance Corporation Limited

3C, Park Plaza, 71, Park Street,

Kolkata- 700 016

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J J Finance Corporation Limited hereinafter called the (Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the J J Finance Corporation Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 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 J J Finance Corporation Limited ("the Company") for the financial year ended on 31st 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;

(iii) 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;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(iv) The Reserve Bank of India Act, 1934;

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 Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited (CSE) & Bombay Stock Exchange Limited (BSE);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

Disha Dugar
Practicing Company Secretary
FCS No. 8128
C P No. : 10895

Place : Kolkata
Date : 01.08.2017

ANNEXURE 4

The Board of Directors of J. J. FINANCE CORPORATION LIMITED ("the Company") constituted the "Nomination and Remuneration Committee" at the Meeting held on November 13, 2014 with immediate effect, consisting of three (3) Non-Executive Directors of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Key Objectives of the Committee would be:

1.1. To recommend the Board regarding the appointment and removal of Directors, Key Managerial Personnel and Senior Management.

1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for their further evaluation.

1.3. To recommend to the Board a policy relating Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

1.6. To devise a policy in respect of Board diversity

1.7. To develop a successive plan for the Board and to regularly review the same;

2. DEFINITIONS

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

2.2. **Board** means Board of Directors of the Company.

2.3. **Directors** mean Directors of the Company.

2.4. **Key Managerial Personnel means**

2.4.1. Chief Executive Officer or the Managing Director or the Manager;

2.4.2. Whole-time director;

2.4.3. Chief Financial Officer;

2.4.4. Company Secretary; and

2.4.5. such other officer as may be prescribed.

2.5. **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including the personnel holding designation of General Manager and above.

3. ROLE OF COMMITTEE

3.1. **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.** The Committee shall :

3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. **Policy for appointment and removal of Director, KMP and Senior Management**

3.2.1. **Appointment criteria and qualifications**

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. **Term / Tenure**

a) Managing Director/Whole-time Director :

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

b) Independent Director :

–An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

–No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

–At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. **Evaluation**

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

3.2.4. **Removal**

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

3.2.5. **Retirement**

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

3.3. **Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

3.3.1. **General :**

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

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

a) Fixed pay :

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration :

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration :

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. **Remuneration to Non- Executive / Independent Director :**

a) Remuneration / Commission :

The remuneration/commission shall be fixed by the Committee and approved by the Board wherever necessary.

b) Sitting Fees :

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission :

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options :

An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

4.1 The Committee shall consist of a minimum 4 non-executive directors, majority of them being independent.

4.2 Minimum three (3) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

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

10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

10.4 Determining the appropriate size, diversity and composition of the Board;

10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

10.10 Recommend any necessary changes to the Board; and

10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

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

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

11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.

11.4 to consider any other matters as may be requested by the Board.

11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

INDEPENDENT AUDITORS' REPORT

To the Members of J. J. Finance Corporation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of J. J. Finance Corporation Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of 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 and presentation 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with

the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that :
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016;
   e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
   f) 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 report in 'Annexure-B'; and
   g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
      i) The Company did not have any pending litigation which could impact its financial position in its financial statements;
      ii) the Company did not have any long term contracts including derivation contracts for which there are any material foreseeable losses;
      iii) there is no amount which were required to be transferred to the Investors Education and Protection Fund by the Company during the year.
      iv) the Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from November 8, 2016 to December 30, 2016 and such disclosures are in accordance with the books of accounts maintained by the Company.

For Chaturvedi & Partners
Chartered Accountants
(Firm Reg. No. 307068E)

CA Anup Kumar Dubey
Partner
Mem. No. 054975

Place : Kolkata
Dated : 29th May, 2017

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of J. J. Finance Corporation Ltd. (the Company) on the standalone financial statements for the year ended 31 March 2017, we report that :

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.

(c) According to information and explanations given to us ,and on the basis of examination of records of the Company, we report that the title deeds of immovable properties are held in the name of the company.

(ii) The inventories have been physically verified by the management at regular intervals during the year. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.

(iii) The company has granted unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013 . The terms and conditions of the grant of such loans are not prejudicial to the company's interest. As per information and explanation given to us, the loan is repayable on demand, and there is no overdue amount; hence, Para 3(iii) (b) & (c) are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Act in respect of loans granted and investments made during the year.

(v) The Company has not accepted any deposit; and hence, Para 3(v) of the Order is not applicable.

(vi) As informed, maintenance of cost records has not been specified by the Central Government u/s 148(1) of the Companies Act; hence Para 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise , value added tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) As per information and explanation furnished to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan; hence Para 3(ix) of the Order is not applicable.

(x) Based on the audit procedures performed for reporting on the true & fair view of the financial statements and as per

the information and explanations given by the management, we report that no fraud by the Company or fraud on the Company by its officers / employees has been noticed or reported during the year under audit .

(xi) As per information and explanation furnished to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) The Company is not a Nidhi Company; hence Para 3(xii) of the Order is not applicable.

(xiii) Transaction(s) with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review; hence Para 3(xiv) of the Order is not applicable.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him; hence, Para 3(xv) of the Order is not applicable.

(xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and registration has been obtained.

For Chaturvedi & Partners
Chartered Accountants
(Firm Reg. No. 307068E)

CA Anup Kumar Dubey
Partner
Mem. No. 054975

Place : Kolkata
Dated : 29th May, 2017

ANNEXURE-B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of J. J. Finance Corporation Ltd. ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note which are applicable to an audit of internal financial controls , require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chaturvedi & Partners
Chartered Accountants
(Firm Reg. No. 307068E)

CA Anup Kumar Dubey
Partner
Mem. No. 054975

Place : Kolkata
Dated : 29th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' fund :			
(a) Share Capital	3.1	**2,82,00,000**	2,82,00,000
(b) Reserves and Surplus	3.2	**2,34,35,376**	2,01,84,831
		5,16,35,376	4,83,84,831
(2) Non-Current Liabilities :			
(a) Deferred Tax Liabilities (Net)	3.3	**4,53,644**	4,97,588
(3) Current Liabilities :			
(a) Trade Payables	3.4	**78,918**	48,022
(b) Other Current Liabilities	3.5	**19,402**	16,890
(C) Short term provisions	3.6	**1,11,228**	34,331
		2,09,548	99,243
Total		**5,22,98,568**	4,89,81,662
II. ASSETS			
(1) Non Current Assets :			
(a) Fixed Assets			
Tangible Assets	3.7	**15,58,131**	16,55,848
(b) Non current Investment	3.8	**1,63,51,618**	2,19,67,913
(C) Long-term loans and advances	3.9	**18,09,037**	18,09,037
		1,97,18,786	2,54,32,798
(2) Current Assets :			
(a) Inventories	3.10	**–**	7,34,718
(b) Trade Receivable	3.11	**11,91,207**	6,65,097
(c) Cash and Bank Balances	3.12	**1,20,98,635**	1,11,23,832
(d) Short term loans and advances	3.13	**1,64,00,000**	92,50,000
(e) Other current assets	3.14	**28,89,940**	17,75,217
		3,25,79,782	2,35,48,864
Total		**5,22,98,568**	4,89,81,662

SIGNIFICANT ACCOUNTING POLICIES 2
NOTES ON ACCOUNTS 3

The accompanying significant accounting policies and notes to accounts are an integral part of the Financial Statements.

As per our report of even date attached
For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board of Directors

CA ANUP KUMAR DUBEY
Partner
(Mem. No. 054975)

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 29th May, 2017

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	For the year ended 31st March, 2017 ₹	For the year ended 31st March, 2016 ₹
I. Revenue :			
Revenue from Operations	3.15	**62,67,306**	41,61,481
Total		**62,67,306**	41,61,481
II Expenses :			
Changes in inventories of Stock-in-trade	3.16	**1,13,343**	(5,095)
Employee benefits expense	3.17	**6,84,600**	6,63,000
Depreciation and amortization expense	3.7	**97,717**	1,02,568
Other expense	3.18	**13,79,386**	12,88,720
Total		**22,75,046**	20,49,193
III. Profit before tax (I - II)		**39,92,260**	21,12,288
IV. Tax expense:			
(1) Current Tax		**7,65,000**	3,60,000
(2) Deferred Tax		**(43,944)**	(22,132)
(3) Income Tax for earlier year(s)		**–**	4,374
V. Profit/(Loss) for the year (III - IV)		**32,71,204**	17,70,046
VI. Earnings per equity share - Basic and Diluted (Face Value per share ₹ 10/-)		**1.16**	0.63
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3		

The accompanying significant accounting policies and notes to accounts are an integral part of the Financial Statements.

As per our report of even date attached
For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board of Directors

CA ANUP KUMAR DUBEY
Partner
(Mem. No. 054975)

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 29th May, 2017

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Particulars	2016-2017		2015-2016	
		₹	₹	₹	₹
A.	**CASH FLOW FROM OPERATING ACTIVITY**				
	Net Profit before Tax and Extraordinary items	**39,92,260**		21,12,288	
	Adjusted for :				
	Depreciation	**97,717**		1,02,568	
	Operating Profit before Working Capital Changes	**40,89,977**		22,14,856	
	Adjusted for :				
	Trade and Other Receivables	**(16,40,833)**		(7,05,786)	
	Inventories	**–**		(5,095)	
	Trade and other Payables	**33,408**		(28,125)	
	Direct Taxes paid (net of refund)	**(7,08,762)**		(5,06,443)	
	Cash Flow before extraordinary items		**17,73,789**		9,69,407
	Extraordinary Items		**–**		–
	Cash Generated from Operating Activities		**17,73,789**		9,69,407
	Net Cash from Operation		**17,73,789**		9,69,407
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Sale of Investment	**63,51,014**		25,97,116	
	Net Cash used in Investing Activity		**63,51,014**		25,97,116

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

	Particulars	2016-2017		2015-2016	
		₹	₹	₹	₹
C	**CASH FLOW FROM FINANCIAL ACTIVITIES**				
	Loans and Advances	**(71,50,000)**		(32,50,000)	
	Net Cash used in Financing Activities		**(71,50,000)**		(32,50,000)
	Net Increase in Cash and Cash Equivalents (A+B+C)		**9,74,803**		3,16,523
	Opening Balance of Cash and Cash Equivalents		**1,11,23,832**		1,08,07,309
	Closing Balance of Cash and Cash Equivalents		**1,20,98,635**		1,11,23,832

Notes :

i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India .

ii) Figures in brackets represent outflow

iii) Cash & Cash Equivalent at the end of the year consists of :

a) Cash in Hand	**45,203**	34,155
b) Balances with Bank	**1,20,53,432**	1,10,89,677
Closing Balance of Cash and Cash Equivalents	**1,20,98,635**	1,11,23,832

As per our report of even date attached
For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board of Directors

CA ANUP KUMAR DUBEY
Partner
(Mem. No. 054975)

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 29th May, 2017

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

1. CORPORATE INFORMATION

J. J. Finance Corporation Ltd is a company incorporated in India and regulated by Reserve Bank of India (RBI) as a Non-Deposit Accepting or Holding Non Banking Financial Company (NBFC) engaged in the business of Finance and Generation of Electricity through Wind Power Mill.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis.

GAAP comprises applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements comply in all material aspects with the Accounting Standards (Rules) notified under the companies (Accounting Standard) Rule, 2006 (as amended), to the extent applicable and the terms of " Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" issued by Reserve Bank of India.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013.

Accounting policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles.

2.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates could result in outcomes different from the estimates. Different between actual results and estimates are recognized in the period in which the results are known or materialize.

2.3 TANGIBLE FIXED ASSETS

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

2.4 DEPRECIATION ON TANGIBLE FIXED ASSETS

Depreciation on tangible fixed assets is calculated on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

2.5 INVESTMENT

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Shares held in Stock in Trade of ₹ 6,21,375/- at cost has been converted into Investment at cost w.e.f. 01.01.2017.

2.6 INVENTORIES

Inventories are valued at lower of cost or net realizable value.

2.7 INCOME & EXPENDITURE RECOGNITION

Income & Expenditure unless otherwise stated, are accounted for on accrual basis except income from Dividends which is accounted for as and when actually received.

The Company has followed the prudential norms for income recognition and provisioning against non performing assets and Provision on Standard Assets as prescribed by the Reserve Bank of India for Non Banking Financial Companies.

2.8 RETIREMENT AND OTHER EMPLOYEE BENEFITS

Retirement benefit to employees such as Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Payment of Gratuity Act, 1972 are not applicable to the "company" as number of employee is below the Statutory limit as prescribed by the above Acts.

The company does not have the policy of extending leave encashment benefits to its employees.

2.9 TAXES ON INCOME

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in the one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset will be realized. Such assets are reviewed as at Balance Sheet date to reassess realizability thereof. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

2.10 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

2.11 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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.13 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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
3.1 SHARE CAPITAL		
(i) **Authorised**		
60,00,000 (P.Y. 60,00,000) Equity Shares of ₹10 each	**60,000,000**	60,000,000
	60,000,000	60,000,000
(ii) **Issued, Subscribed and Fully Paid-up**		
28,20,000 (P.Y. 28,20,000) Equity Shares of ₹ 10 each	**28,200,000**	28,200,000
	28,200,000	28,200,000

(iii) **The reconciliation of the number and amount of equity shares outstanding**

	As at 31.03.2017		As at 31.03.2016	
Equity Shares	**No. of Shares**	₹	No. of Shares	₹
Opening Balance	**2820000**	**28,200,000**	2820000	28,200,000
Add: Shares issued during the year	–	–	–	–
Closing Balance	**2820000**	**28,200,000**	2820000	28,200,000

(iv) **Terms / Rights and restrictions attached to Equity Shares :**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing AGM except in the case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(v) **Shareholders holding more than 5 % shares in the company**

Name of Share holders	As at 31.03.2017		As at 31.03.2016	
(Equity Shares of ₹ 10/- each fully paid up)	**No. of Shares**	**% held**	**No. of Shares**	**% held**
Asharam Sarda	**245,000**	**8.69**	**245,000**	**8.69**
J J Projects Pvt Ltd	**549,729**	**19.49**	**549,729**	**19.49**
Kanaklata Jhunjhunwala	**142,000**	**5.03**	**142,000**	**5.03**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

	As at 31.03.2017		As at 31.03.2006	
	₹	₹	₹	₹
3.2 RESERVES AND SURPLUS				
(i) Special Reserve u/s 45-IC of RBI Act , 1934				
Opening Balance		48,70,000		45,10,000
Add: Transferred from Surplus in the Statement of Profit & Loss		**6,55,000**		3,60,000
Closing Balance		**55,25,000**		48,70,000
(ii) Surplus/(deficit) in the Statement of Profit & Loss				
Opening Balance		**1,53,14,831**		1,39,14,641
Add : Profit/(Loss) for the year		**32,71,204**		17,70,046
Less : Provision towards Standard Assets		**20,659**		9,856
Surplus available for Appropriations		**1,85,65,376**		1,56,74,831
Less : APPROPRIATION				
Transferred to Reserve u/s 45-IC of RBI Act, 1934		**6,55,000**		3,60,000
Closing Balance		**1,79,10,376**		1,53,14,831
Total		**2,34,35,376**		2,01,84,831
3.3 DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liability on Depreciation and Amortisation		**4,53,644**		4,97,588
		4,53,644		4,97,588
3.4 TRADE PAYABLES				
Sundry creditor		**78,918**		48,022
		78,918		48,022
3.5 OTHER CURRENT LIABILITIES				
Others		**19,402**		16,890
		19,402		16,890
3.6 SHORT TERM PROVISIONS				
Provision for Income Tax -				
Opening Balance	**3,60,000**		5,85,000	
Less: Adjustment during the year	**3,60,000**		5,85,000	
	–		–	
Add: Provision for the year	**7,65,000**		3,60,000	
		7,65,000		3,60,000
Less:Advance tax -				
Opening Balance	**3,60,000**		4,36,072	
Less: Adjustment during the year	**3,60,000**		4,36,072	
	–		–	
Add: Paid during the year	**7,01,902**		3,53,140	
		7,01,902		3,53,140
		63,098		6,860
Contingent provision against Standard Assets		**48,130**		27,471
		1,11,228		34,331

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

3.7 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01.04.16	Addition	Adjustments	**As at 31.03.2017**	Upto 01.04.16	For the Year	Adjustments	**Upto 31.03.2017**	**As at 31.03.2017**	As at 31.03.16
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS										
Land (Freehold)	1,45,000	–	–	**1,45,000**	–	–	–	–	**1,45,000**	1,45,000
Plant and Machinery – Wind Mill	2,15,60,038	–	–	**2,15,60,038**	2,04,90,660	–	–	**2,04,90,660**	**10,69,378**	10,69,378
– Others	9,153	–	–	**9,153**	8,820	–	–	**8,820**	**333**	333
Office Equipments	4,69,484	–	–	**4,69,484**	4,37,622	15,040	–	**4,52,662**	**16,822**	31,862
Electrical Installation	35,414	–	–	**35,414**	35,413	–	–	**35,413**	**1**	1
Data Processing Machine	3,30,969	–	–	**3,30,969**	3,14,556	–	–	**3,14,556**	**16,413**	16,413
Vehicles	6,63,224	–	–	**6,63,224**	2,70,364	82,677	–	**3,53,041**	**3,10,183**	3,92,860
Furniture & Fixtures	5,50,906	–	–	**5,50,906**	5,50,905	–	–	**5,50,905**	**1**	1
Total	**2,37,64,188**	–	–	**2,37,64,188**	**2,21,08,340**	**97,717**	–	**2,22,06,057**	**15,58,131**	**16,55,848**
Previous Year	**2,37,64,188**	–	–	**2,37,64,188**	**2,20,05,772**	1,02,568	–	**2,21,08,340**	**16,55,848**	

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

Particulars	Face Value	As at 31.03.2017 Units	As at 31.03.2017 ₹	As at 31.03.2016 Units	As at 31.03.2016 ₹
3.8 NON-CURRENT INVESTMENT					
(At Cost - Other than Trade - Long Term)					
i) Equity Instrument-Quoted Shares (Fully paid up)					
Wopolin Plastics Ltd.	10	**6000**	**3,00,000**	6000	3,00,000
– (Formerly : Bajaj Plastics Ltd.)					
Ceeta Industries Ltd.	10	**1000**	**19,028**	1000	19,028
Indian Hotels Ltd.	1	**3000**	**3,25,273**	4800	5,46,241
Ambuja Cements Ltd.	2	**2000**	**47,311**	2000	47,311
Thanjavur Textiles Ltd.	10	**1000**	**1,85,925**	1000	1,85,925
J.J. Automotive Ltd.	10	**17900**	**1,77,821**	17900	1,77,821
Pradeep Drugs Co. Ltd.	10	**1050**	**14,665**	1050	14,665
Recron Synthetics Ltd.	2	**500**	**13,843**	500	13,843
(Formely Raymond Synthetics Ltd.)					
Nageswar Investment Ltd.	10	**30000**	**1,74,100**	30000	1,74,100
Navcom Oil Products Ltd.	10	**500**	**22,330**	500	22,330
Tata Motors Ltd. (Right Shares)	2	**–**	**–**	62	16,802
Bajaj Auto Ltd	10	**100**	**1,54,739**	–	–
Bajaj Holdings	10	**200**	**1,83,416**	–	–
Reliance Industries Ltd	10	100	1,04,525	–	–
Tata Motors Ltd.	2	**1000**	**1,71,300**	–	–
Unitech Ltd	2	**1500**	**7,395**	–	–
			19,01,671		15,18,066
ii) MUTUAL FUND					
SBI Magnum Income Fund	10			2,06,328.191	59,99,900
			–		**59,99,900**
iii) Equity Instrument-Un-Quoted Shares (Fully paid up)					
J J Projects (P) Ltd.	10	**143153**	**6,20,947**	143153	6,20,947
Pinnacle Leasing & Finance (P) Ltd.	10	**1400**	**14,000**	1400	14,000
Kohinoor Stockbroking (P) Ltd.	10	**10000**	**1,00,000**	10000	1,00,000
Chitrakoot Properties Ltd.	10	**4500**	**3,15,000**	4500	3,15,000
KPJ Estates Pvt. Ltd.	10	**10000**	**1,00,000**	10000	1,00,000
			11,49,947		11,49,947
iv) Preference Share-Instrument-Un-Quoted (Fully paid up)					
J J Automotive Limited	10	**1300000**	**1,33,00,000**	1300000	**1,33,00,000**
(6% Non- Cumulative Redeemable Preference Share)					
Total			**1,63,51,618**		**2,19,67,913**
a) Aggregate Value of Quoted Investment (i + ii)			**19,01,671**		75,17,966
b) Aggregate Value of Unquoted Investment (iii + iv)			**1,44,49,947**		1,44,49,947
			1,63,51,618		2,19,67,913
c) Market value of Quoted Investment			**35,69,958**		**99,80,058**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

	As at 31.03.2017		As at 31.03.2016	
	₹	₹	₹	₹
3.9 LONG TERM LOAN & ADVANCES				
Security Deposit		**13,236**		13,236
Advance for booking of Flat		**17,95,801**		17,95,801
		18,09,037		18,09,037
3.10 INVENTORIES				
(At cost or net realisable value, whichever is lower)				
Stock- in- Trade		**–**		7,34,718
		–		7,34,718
3.11 TRADE RECEIVABLES				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from due date		**9,84,444**		69,321
Others		**2,06,763**		5,95,776
		11,91,207		6,65,097
3.12 CASH AND BANK BALANCE				
Cash and Cash Equivalents				
Balance with Bank - In current account		**1,20,53,432**		1,10,89,677
Cash on hand		**45,203**		34,155
		1,20,98,635		1,11,23,832
3.13 SHORT TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Advances recoverable in cash or kind				
Loan and advances to related parties		**1,64,00,000**		92,50,000
		1,64,00,000		92,50,000
3.14 OTHER CURRENT ASSETS				
Interest Receivable		**28,52,119**		17,38,257
Prepaid Expenses		**37,821**		36,960
		28,89,940		17,75,217

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

	31.03.2017 ₹	31.03.2016 ₹
3.15 REVENUE FROM OPERATIONS:		
(i) Operating Revenue		
Sales Of Share	**2,72,596**	–
Interest Income	**31,69,021**	19,31,397
Profit on Sale of Investment	**14,53,684**	11,11,707
	48,95,301	30,43,104
(ii) Other Operating Revenue		
Dividend Income	**10,519**	2,33,970
Electricity Generation	**13,60,426**	8,84,407
Excess Liability Written Back	**1,060**	–
	13,72,005	11,18,377
Total	**62,67,306**	41,61,481
3.16 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Finished Goods		
Opening Stock	**7,34,718**	7,29,623
Less: Closing stock	**–**	7,34,718
	7,34,718	(5,095)
Less: Trf. to Non Current Investment	**6,21,375**	–
	1,13,343	(5,095)
3.17 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	**6,84,600**	6,63,000
	6,84,600	6,63,000
3.18 OTHER EXPENSES		
Advertisement & Publicity	**10,943**	20,328
Bank Charges	**852**	1,125
Postage & Telegram	**78,971**	80,975
Conveyanace expenses	**320**	5,000
Insurance	**98,374**	94,789
Listing Fees	**2,41,023**	2,36,518
Membership Fees	**38,205**	26,310
Auditors' Remuneration :		
– For Statutory Audit	**11,500**	5,725
– For Other services	**18,425**	18,411
Printing and stationery	**33,980**	37,435
Professional Fees	**51,688**	59,265
Repairs and Maintenance (Others)	**7,443**	3,990
Repairs to plant and machinery (Wind Power)	**7,40,598**	6,63,604
Telephone Charges	**15,839**	16,582
Miscellaneous Expenses	**31,225**	18,663
	13,79,386	12,88,720

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

3.19 Additional Notes

The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under regarding registration under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small or medium enterprises as at 31st March, 2017. Therefore, there are no dues outstanding to Micro, Small and Medium Enterprises (Previous year Nil).

3.20 Segment Reporting

The Company's Operations mainly consist of Finance & Generation of Electricity through Wind Power Mill.

(₹ in Lac)

Sl. No.	Particulars	31.03.2017	31.03.2016
1	**Segment Revenue**		
	i) Finance Business	**49.07**	32.77
	ii) Electricity Generation	**13.60**	8.84
	Net Sales/Income from Operations	**62.67**	41.61
2	**Segment Results**		
	Profit before Tax & Interest from each segment		
	i) Finance Business	**34.56**	19.73
	ii) Electricity Generation	**5.36**	1.39
	Profit before Tax	**39.92**	21.12
3	**Capital Employed (Segment Assets Less Segment Liabilities)**		
	i) Finance Business	**497.63**	471.03
	ii) Electricity Generation	**23.26**	18.79
	Total	**520.89**	489.82

3.21 Related Party Disclosures

A. Names of the related parties :

Related parties as per AS 18 with whome transaction have taken place during the year :

I) Key Management Personnel : Mr. Anil Jhunjhunwala

II) Enterprise over which key managerial personnel and relatives of such personnel are able to exercise Significant influence : J.J. Automotive Ltd.

B. Related Party Transactions during the year

(i) With Key Management Personnel

Mr. Anil Jhunjhunwala Directors Remuneration NIL

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 *(Contd.)*

(ii) Enterprise over which key managerial personnel and relatives of such personnel are able to exercise Significant influence :

(₹ in Lac)

Loan Given	Principal	Interest	Total
Opening Balance	92.50	17.38	109.88
Addition/Accrued during the year	200.50	28.52	229.02
Refund/Repaid during the year	129.00	17.38	146.38
Closing Balance	164.00	28.52	192.52

3.22 Basic and Diluted Earning Per Share

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :

	Particulars	31.03.2017	31.03.2016
a)	Net Profit after Tax(₹) available for Equity Shares of ₹ 10/- each	32,71,204	17,70,046
b)	Number of Equity Shares of ₹ 10/- each	2820000	2820000
c)	Basic and Diluted Earning Per Share (a/b) (in ₹)	1.16	0.63

3.23 Disclosures pursuant to Schedule III of the Companies Act, 2013 relating to the details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is provided in the table below :

Particulars	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	33,500	203	33,703
Add: Permitted receipts	–	–	–
Less : Permitted payments	–	–	–
Less : Amount deposited in Bank	33,500	–	33,500
Add : Amount withdrawn from Bank	–	45,000	45,000
Closing cash in hand as on 30.12.2016	–	45,203	45,203

3.24 Previous year's figures have been regrouped/rearranged/recasted wherever necessary.

3.25 Financial figures have been rounded off to nearest rupees.

3.26 Schedule to the Balance Sheet as on 31st March, 2017 of a Non-Banking Financial Company is Annexed (Annexure - A).

Signature to Note

As per our report of even date attached
For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board of Directors

CA ANUP KUMAR DUBEY
Partner
(Mem. No. 054975)

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 29th May, 2017

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary
Mem. No. A36293

ANNEXURE 'A' TO NOTE 3.25

Schedule to the Balance Sheet as on 31st March 2017 of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in lakh)

Liabilities side :		**Amount Outstanding**	**Amount Overdue**
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**		
	a) Debentures : Secured	—	—
	: Unsecured (other than falling within the meaning of public deposits*)	—	—
	b) Deferred Credits	—	—
	c) Term Loans	—	—
	d) Inter-corporate loans and borrowing	—	—
	e) Commercial Paper	—	—
	f) Other Loans (specify nature)	—	—
	* Please see Note 1 below		
	Total	**—**	**—**

Assets side :		**Amount outstanding**
(2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
	a) Secured	Nil
	b) Unsecured	222.90
	Total	**222.90**
(3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities :**	
	i) Lease assets including lease rentals under sundry debtors :	
	a) Financial lease	Nil
	b) Operating lease	Nil
	ii) Stock on hire including hire charges under sundry debtors :	
	a) Assets on hire	Nil
	b) Repossessed Assets	Nil
	iii) Other loans counting towards AFC activities :	
	a) Loans where assets have been repossessed	Nil
	b) Loans other than (a) above	Nil
	Total	**Nil**
(4)	**Break-up of Investments :**	
	Current Investments :	
	1. Quoted :	
	i) Shares : a) Equity	Nil
	b) Preference	Nil
	ii) Debentures and Bonds	Nil
	iii) Units of Mutual Funds	Nil
	iv) Government Securities	Nil
	v) Others (please specify)	Nil

				Amount outstanding
2.	**Unquoted :**			
	i)	Shares :	a) Equity	Nil
			b) Preference	Nil
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
Long Term Investments :				
1.	**Quoted :**			
	i)	Shares :	a) Equity	19.02
			b) Preference	Nil
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
2.	**Unquoted :**			
	i)	Shares :	a) Equity	11.50
			b) Preference	133.00
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
	Total			**163.52**

(5) **Borrower group-wise classification of assets financed as in (2) and (3) above :**
Please see Note 2 below :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **	Nil	192.52	192.52
a) Subsidiaries	Nil	Nil	Nil
b) Companies in the same group	Nil	Nil	Nil
c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	30.38	30.38
Total	**Nil**	**222.90**	**222.90**

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

Please see Note 3 below :

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
a) Subsidiaries	Nil	Nil
b) Companies in the same group	144.23	142.99
c) Other related parties	Nil	Nil
2. Other than related parties	35.96	20.53
Total	**180.19**	**163.52**

* Market Value in most of the cases being not available has been considered at book value.

(7) Other information :

Particulars	Amount
i) Gross Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
ii) Net Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
iii) Assets acquired in satisfaction of debt	Nil

Notes :

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date attached
For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board of Directors

CA ANUP KUMAR DUBEY
Partner
(Mem. No. 054975)

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 29th May, 2017

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary
Mem. No. A36293

NOTES