

# 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



September 18, 2018

To,  
The Secretary,  
Bombay Stock Exchange Limited,  
1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai-400001

Dear Sir/Madam,

**Sub: Submission of Annual Report for the year 2017-18 under Regulation 34 of the SEBI  
(Listing Obligations and Disclosure Requirements), Regulations, 2015**

Please find enclosed herewith the Annual Report for the Financial Year 2017-18 pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the Equity Shareholders (Members) of the Company as per the provisions of Companies Act, 2013.

Kindly take the same on record and oblige.

Thanking you.

Yours faithfully,

**For J. J. Finance Corporation Limited**

**Ankita Nigam**  
**Company Secretary & Compliance Officer**

**C.C. The Calcutta Stock Exchange Limited**  
**7, Lyons Range,**  
**Kolkata - 700 001**

Encl.: As above



**35th**  

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**ANNUAL REPORT**  

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**2017-2018**

**J. J. FINANCE CORPORATION LIMITED**



# **J. J. FINANCE CORPORATION LIMITED**

## **35th Annual Report 2017-1**

### **BOARD OF DIRECTORS :**

Mr. Anil Jhunhunwala, Director  
Mr. Shyam Bagaria, Director  
Mr. Rajesh Kumar Poddar, Director  
Mr. Brajesh Kumar Dhandhanian, Independent Director  
Mrs. Hilla Eruch Bhathena, Independent Woman Director

### **MANAGEMENT PERSONNEL :**

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 01

### **STATUTORY AUDITOR :**

M/S. A. K. Dubey & Co.  
Chartered Accountants  
Fjord Tower, Flat No. 19A2, 1925, Chakgaria  
Hiland Park, Kolkata - 700 094

### **INTERNAL AUDITOR :**

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

### **SECRETARIAL AUDITOR :**

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

### **LEGAL ADVISORS :**

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 : 17th September, 2017 at 05:00 p.m.  
Venue : At Registered Office



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Thirty Fifth (35th) Annual Report and the Audited Financial Statements on the business and operations of your Company for the year ended 31st March, 2018.

### FINANCIAL RESULTS

Particulars	₹ in thousand's	
	For the year ended 31st March	
	2018	2017
Profit before Depreciation and Tax	9403	4090
Less : Depreciation	3	9
<b>Profit before Tax :</b>	<b>9320</b>	<b>3992</b>
Current Tax	1 00	7 5
Deferred Tax	( 3)	(44)
Income Tax for earlier year	7	-
<b>Profit after Tax</b>	<b>759</b>	<b>3271</b>
Add : Balance brought forward from last year	17910	15314
Less : Transferred to Reserve U/s 45-IC of RBI Act, 1934	1520	55
Provision towards Standard Assets	59	20
Balance carried forward	23927	17910

### SUMMARY OF OPERATIONS

During the year, the net revenue from operations of your Company increased by 07%, from ₹ 2.7 Lakh to ₹ 11.1 Lakh. For FY 2017-18, your Company's profit after tax stood at ₹ 75.9 Lakh vis-à-vis ₹ 32.71 Lakh in the previous year.

### 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, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

As on 31st March, 2018, the issued, subscribed and paid up share capital of your Company stood at ₹ 2.2 crore, comprising 2.2 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, 2018. During the year, your Company transferred a sum of ₹ 15.20 lakh 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 in Form No. MGT - 9 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. This ensures timely and informed decisions by the Board.

In the financial year 2017-18, the Board met nine times. The meetings were held on 21st April, 2017, 29th May, 2017, 22nd July, 2017, 14th August, 2017, 1st September, 2017, 0th October, 2017, 07th November, 2017, 0th February, 2018 and 02nd March, 2018. 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	Chairperson / Members
1	Mrs. Hilla Eruch Bhathena	Independent Director	Chairperson
2	Mr. Anil Jhunjhunwala	Non- Executive Director	Member
3	Mr. Brajesh Kumar Dhandhanania	Independent Director	Member

During the year, the Committee had met five times on 29th May, 2017, 22nd July, 2017, 14th August, 2017, 07th November, 2017 and 0th February, 2018.

##### b. Nomination & Remuneration Committee

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

During the year, the Committee had met twice on 29th May, 2017 and 0th October, 2017.

##### c. Stakeholders Relationship Committee

Sl. No.	Name	Category of Directors / Members	Chairman / Members
1	Mr. Anil Jhunjhunwala	Non-Executive Director	Chairman
2	Mr. Rabi Kumar Almal	Chief Executive Officer	Member

\*Mr. Rabi Kumar Almal, Chief Executive Officer of the Company was inducted in the committee and Ms. Ankita Nigam ceased to be a member of the committee w.e.f., 29th May, 2017.



## J. J. FINANCE CORPORATION LIMITED

35TH ANNUAL REPORT 2017-18

During the year, the Committee had met four times on 30th May, 2017, 20th July, 2017, 03rd November, 2017, and 05th February, 2018.

### 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 shall hold at least one meeting in a year, without the presence of non-independent directors to discuss the matters specified therein.

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

During the year, a meeting of Independent Directors was held on 27th November, 2017. All Independent Directors were present in the meeting.

Types of Meeting	Date of Meeting	Names of Directors' / Members Present
Board Meetings	21.04.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	29.05.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	22.07.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	14.08.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	18.09.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	08.10.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	07.11.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	08.02.2018	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	02.03.2018	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
Audit Committee Meetings	29.05.2017	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanania.
	22.07.2017	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanania.
	14.08.2017	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanania.
	07.11.2017	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanania.
	08.02.2018	Mr. Anil Jhunjhunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanania.



Types of Meeting	Date of Meeting	Names of Directors' / Members Present
Annual General Meetings	15.09.2017	Mr. Anil Jhunjhunwala, Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
Nomination & Remuneration Committee Meeting	29.05.2017	Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena & Mr. Rajesh Kumar Poddar.
	03.10.2017	Mr. Brajesh Kumar Dhandhanania, Mrs. Hilla Eruch Bhathena & Mr. Rajesh Kumar Poddar.
Stakeholder Relationship Committee Meetings	30.05.2017	Mr. Anil Jhunjhunwala & Mr. Rabi Kumar Almal.
	20.07.2017	Mr. Anil Jhunjhunwala & Mr. Rabi Kumar Almal.
	03.11.2017	Mr. Anil Jhunjhunwala & Mr. Rabi Kumar Almal.
	05.02.2018	Mr. Anil Jhunjhunwala & Mr. Rabi Kumar Almal.
Meeting of Independent Directors	27.11.2017	Mr. Brajesh Kumar Dhandhanania & Mrs. Hilla Eruch Bhathena.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of the provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, Mr. Rajesh Kumar Poddar, Director of the Company, re-appears by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

A brief resume of the Director proposed to be re-appointed, the nature of his experience in specific functional areas, names of companies in which he holds Directorships, committee membership/chairmanships, his shareholding etc. are furnished in the Annexure to the notice of the ensuing Annual General Meeting.

During the year, no new Director was appointed in the Company and none of the existing Directors have resigned from the Board, hence the composition of the Board remains the same.

Ms. Ankita Nigam, Company Secretary and Compliance Officer of the Company, resigned w.e.f., 29th May, 2017 but was subsequently re-appointed in the Company in the same capacity w.e.f., 03rd October, 2017. There were no other changes in the Key Managerial Personnel of the Company during the year.

Directors/KMP'S as on 01.04.2017	Resignation/Retirement during the year	Appointments during the year	Directors/KMP'S as on 31.03.2018
Mr. Anil Jhunjhunwala	—	—	Mr. Anil Jhunjhunwala
Mr. Rajesh Kumar Poddar	—	—	Mr. Rajesh Kumar Poddar
Mr. Shyam Bagaria	—	—	Mr. Shyam Bagaria
Mr. Brajesh Kumar Dhandhanania	—	—	Mr. Brajesh Kumar Dhandhanania
Mrs. Hilla Eruch Bhathena	—	—	Mrs. Hilla Eruch Bhathena
Mr. Rabi Kumar Almal (CEO)	—	—	Mr. Rabi Kumar Almal (CEO)
Ms. Ankita Nigam (CS)	29.05.2017	03.10.2017	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 and loss 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 Dhandhanias and Mrs. Hilla Eruch Bhathena are Independent Directors on the Board of your Company. These Non-Executive Independent Directors have given declaration to the company stating that they fulfill the conditions of Independence specified in Section 149( ) of the Companies Act, 2013 and Rules made there under and the same have been placed and noted in the meeting of the Board of Directors held on 21st April, 2017. 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 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2017-18. 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.

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#### **COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION**

In accordance with Sec on 17 of the Companies Act, 2013, the Board of Directors has in place a Policy on Directors' appointment and remunera on including criteria for determining qualifica ons, posi ve attributes, independence of a director and remunera on policy for Key Managerial Personnel and others. The Policy of Nomina on and Remunera on Committee has been framed to encourage diversity of thought, experience, knowledge, perspec ve, age and gender in the Board. The Remunera on 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 Remunera on Policy aims to ensure that the level and composi on of the remunera on of the Directors, Key Managerial Personnel and all other employees is reasonably sufficient to attract, retain and mo vate them to successfully run the Company. The Details of Remunera on 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 recommenda ons of the Nomina on and Remunera on Committee, the Board approved a Nomina on and Remunera on Policy which is enclosed as **Annexure 4**.

#### **DISCLOSURE ON REMUNERATION TO EMPLOYEES EXCEEDING SPECIFIED LIMITS**

The Company had no employees who were in receipt of remunera on in excess of ₹ 102 lakh per annum during the year ended 31st March, 201 or of more than ₹ .5 lakh per month during any part thereof, hence no informa on under Rule 5(2) of the Companies (Appointment and Remunera on of Managerial Personnel) Rules, 2014 is required to be given.

#### **PARTICULARS OF EMPLOYEES**

The informa on required pursuant to Sec on 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remunera on of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Sec on 13 of the Act, the Report and Accounts are being sent to Members and others en tled thereto excluding the informa on on employees par culars which is available for inspec on 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 Mee ng. There are no employees drawing salaries in excess of the limit prescribed under Sec on 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remunera on of Managerial Personnel) Rules, 2014.

The Company affirms that remunera on is as per the Remunera on Policy of the Company.

#### **INTERNAL FINANCIAL CONTROLS**

Effec ve Internal Controls are necessary for building up an efficient organiza on. Our Company has adequate Internal Control systems in place to ensure accuracy, transparency and accountability in its opera ons. A dedicated concurrent audit team func oning within the Company confirms that the ac vi es are in compliance with its policies and occurrences of devia ons are reported to the Management. The concurrent audit report is reviewed by the internal auditors - M/s Guha & Ma lal, a firm of prac cing Chartered Accountants. Internal auditors review opera ons of the Company and ensure that the Company is func oning within the limits of all applicable statutes. Any Internal Control weaknesses, non compliance with statutes and sugges ons on improvements in exis ng prac ces forms part of internal audit report. Audit Committee reviews the internal audit report and ensures that observa ons pointed out in the report are addressed in a mely and structured manner by the Management. The Internal Audit Report is reviewed by Statutory Auditors while performing audit func ons to confirm that there are no transac ons conflic ng 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 opera ng effec vely since there has not been any iden fica on 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 AND THEIR REPORT**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the recommendation of the Board of Directors and the Audit Committee the members in the 34th Annual General Meeting held on 15th September, 2017 had appointed M/s A K Dubey & Co, Chartered Accountants (ICAI Firm Registration Number 3070 E) as the Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 34th Annual General Meeting until the conclusion of 39th Annual General Meeting of the Company to be held in the calendar year 2022, on such remuneration as may be decided by the Audit Committee of the Board, subject to annual ratification by members at every Annual General Meeting.

Member's attention is drawn to Item No. 3 of the Notice convening the 35th Annual General Meeting proposing ratification of the appointment of M/s A K Dubey & Co, Chartered Accountants as the Statutory Auditors of the Company.

The Report given by the Statutory Auditors on the financial statements of the Company for the financial year 2017-18, forms a part of the Annual Report 2017-18. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Report 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, Practising Company Secretary, had been appointed Secretarial Auditor of the Company for the financial year 2017 - 18. The Secretarial Audit Report in Form MR-3, enclosed as **Annexure 3** has no observations (including any qualification, reservation, adverse remark or disclaimer) and hence does not call for any explanation from the Directors.

#### **INTERNAL AUDITOR AND THEIR REPORT**

The Company had appointed internal auditors, M/s Guha & Mahal, a firm of practising Chartered Accountants to carry out the internal audit functions. The Internal auditor submits half yearly reports to the audit committee. The Internal Auditors' Reports have no observations (including any qualification, reservation, adverse remark or disclaimer) and hence does not call for any explanation from the Directors.

#### **INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The provisions of Section 18 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company since the Company is a Non Banking Financial Company. However, details of loans, guarantees or investments 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. Further, details of Related Party Transactions as required to be disclosed by Accounting Standard – 1 are given in the notes to the Financial Statements.

#### **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 on the Company in the financial year 2017-2018.

#### **CORPORATE SOCIAL RESPONSIBILITY**

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 hence 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 – 700 001	Equity Shares
2. The Bombay Stock Exchange Ltd 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**

The Company has zero tolerance for sexual harassment at workplace. During the Financial Year 2017-18, 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**

*Director*

*Director*

DIN : 0012 717

DIN : 00121949

Place : Kolkata

Dated : 30th July, 2018





**COMPLIANCE CERTIFICATE FROM CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER PURSUANT TO REGULATION 17( ) AND PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We have reviewed the financial statements and the cash flow statement of J. J. Finance Corporation Limited for the year ended March 31, 2018 and that to the best of our knowledge and belief:

- A) (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's Code of Conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and audit committee, deficiencies in the design or operation of such internal control, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D) We have indicated to the auditors and audit committee that:
- (1) There are no significant changes in internal control over financial reporting during the year;
- (2) There are no significant changes in accounting policies made during the year and
- (3) There are no instances of fraud involving the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For J. J. Finance Corporation Limited**

**RABI KUMAR ALMAL**

*Chief Executive Officer*

**HRIDAY MONDAL**

*Chief Financial Officer*

Place : Kolkata

Dated : 30th July, 2018

**DECLARATION UNDER REGULATION 2 (3) AND PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Pursuant to Regulation 2 (3) and Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that the members of the Board of Directors and Senior Management Personnel of J. J. Finance Corporation Limited have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

**For J. J. Finance Corporation Limited**

**RABI KUMAR ALMAL**

*Chief Executive Officer*

Place : Kolkata

Dated : 30th July, 2018



**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 201**

[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 : L 5921WB19 2PLC035092
- (ii) Registration Date : 17th July, 19 2
- (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 01  
Phone No. +91-33-2229- 000
- (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	499*	.77
2	Electricity Generation	3510*	11.23

\* The NIC code of the Product or Service has been mentioned as per the Ministry of Statistics and Product Implementation.  
Link :- [udyogadhaar.gov.in/UA/Document/nic\\_200\\_17apr09.pdf](http://udyogadhaar.gov.in/UA/Document/nic_200_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) 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	
<b>A.</b>	<b>PROMOTERS</b>									
(1)	<b>Indian</b>									
	a) Individual / HUF	5 3495	0	5 3495	20. 91	594544	0	594544	21.0 3	0.392
	b) Central Government									
	c) State Government									
	d) Bodies Corporate	702329	0	702329	24.905	702329	0	702329	24.905	0.000
	e) Banks / Financial Ins tu ons									
	f) Any Other									
	<b>Sub-total (A)(1)</b>	<b>12 5 24</b>	<b>0</b>	<b>12 5 24</b>	<b>45.597</b>	<b>129 73</b>	<b>0</b>	<b>129 73</b>	<b>45.9</b>	<b>0.391</b>
(2)	<b>Foreign</b>									
	a) NRIs - Individuals									
	b) Other - Individuals									
	c) Bodies Corporate									
	d) Banks / Financial Ins tu ons									
	e) Any Other									
	<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>12 5 24</b>	<b>0</b>	<b>12 5 24</b>	<b>45.597</b>	<b>129 73</b>	<b>0</b>	<b>129 73</b>	<b>45.9</b>	<b>0.391</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	<b>Ins tu ons</b>									
	a) Mutual Funds									
	b) Banks / Financial Ins tu ons									
	c) Central Governments									
	d) State Governments									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) Foreign Ins tu onal Investors (FI)									
	h) Foreign Venture Capital Funds									
	i) Others (Specify)									
	<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>



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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	
(2)	Non-Ins tu ons									
	a) Bodies Corporate									
	i) Indian	20241	341475	543 91	19.2 7	193 09	341475	5352 4	1 .9 2	-0.305
	ii) Overseas									
	b. Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	92 31	42 34	521177	1 .4 1	92373	42 04	51 419	1 .3 4	-0.097
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3179	150000	4 79	1 .595	317 1	150000	4 7 1	1 .592	-0.003
	c) Others Specify									
	1. NRI	2	100	12	0.004	2	100	12	0.004	0.000
	2. Overseas Corporate Bodies									
	3. Foreign Na onals									
	4. Clearing Members	101	0	101	0.03	1417	0	1417	0.050	0.014
	5. Trusts									
	. Foreign Bodies - D.R.									
	Sub-total (B)(2)	14255	919921	153417	54.403	0550	917 21	1523127	54.012	-0.391
	Total Public Shareholding (B) = (B)(1)+(B)(2)	14255	919921	153417	54.403	0550	917 21	1523127	54.012	-0.391
C.	Shares held by Custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	1900079	919921	2 20000	100.000	1902379	917 21	2 20000	100.000	0.000

## ii) 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	45 00	1. 24	0.000	45 00	1. 24	0.000	0.000
2	ANIL JHUNJHUNWALA	134 2	4.7 1	0.000	145 77	5.173	0.000	0.392
3	ANITA KANOI	20100	0.713	0.000	20100	0.713	0.000	0.000
4	J. J. AUTOMOTIVE LTD.	27100	0.9 1	0.000	27100	0.9 1	0.000	0.000
5	J.J. PROJECTS PVT. LTD	549729	19.494	0.000	549729	19.494	0.000	0.000
	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
	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. 1	0.000	24292	0. 1	0.000	0.000
11	VIDHI BERI	2 950	0.95	0.000	2 950	0.95	0.000	0.000
	Total	12 5 24	45.597	0.000	129 73	45.9	0.000	0.392



## iii) 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 Beginning of the Year	45 00	1. 24		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			45 00	1. 24
2	ANIL JHUNJHUNWALA				
	a) At the Beginning of the Year	134 2	4.7 1		
	b) Changes during the year				
	Date Reason				
	30/09/2017 Transfer	3 14	0.135	13 42	4.91
	0 /10/2017 Transfer	1 49	0.05	140291	4.975
	13/10/2017 Transfer	1207	0.043	14149	5.01
	27/10/2017 Transfer	124	0.004	141 22	5.022
	12/01/201 Transfer	3 9	0.014	142011	5.03
	2 /01/201 Transfer	100	0.004	142111	5.039
	23/03/201 Transfer	139	0.050	143507	5.0 9
	31/03/201 Transfer	2370	0.0 4	145 77	5.173
	c) At the End of the Year			145 77	5.173
3	ANITA KANOI				
	a) At the Beginning 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 Beginning of the Year	27100	0.9 1		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			27100	0.9 1
5	J.J. PROJECTS PVT. LTD				
	a) At the Beginning 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
	K P JHUNJHUNWALA				
	a) At the Beginning 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



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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
7	K. P. JHUNJHUNWALA				
	a) At the Beginning 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
	KANAKLATA JHUNJHUNWALA				
	a) At the Beginning 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
9	KOHINOOR STOCK BROKING PVT LTD				
	a) At the Beginning 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 Beginning of the Year	24292	0.1		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			24292	0.1
11	VIDHI BERI				
	a) At the Beginning of the Year	2950	0.95		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2950	0.95
	<b>TOTAL</b>	<b>12524</b>	<b>45.597</b>	<b>12973</b>	<b>45.9</b>

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs) :

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 Beginning of the Year	245000	.		
	b) Changes during the year				
	Date Reason				
	02/02/2018 Transfer	-245000	.	0	0.000
	c) At the End of the Year			0	0.000
2	ASHISH VINIMAY PVT. LTD.				
	a) At the Beginning of the Year	0000	2.12		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0000	2.12



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
3	BAJAJ TRADE DEVELOPMENTS LTD				
	a) At the Beginning 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 Beginning of the Year	70000	2.42		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			70000	2.42
5	C D COMPUTERS PVT. LTD.				
	a) At the Beginning 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
	MANORMA ALMAL				
	a) At the Beginning of the Year	211	0.92		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			211	0.92
7	NITIN FINVEST PRIVATE LIMITED				
	a) At the Beginning 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
	PANNA DEVI SARDA				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	02/02/201 Transfer	245000	.	245000	.
	c) At the End of the Year			245000	.
9	RESOURCE VINCOM PRIVATE LIMITED				
	a) At the Beginning of the Year	135350	4.00		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			135350	4.00
10	SANJAY KUMAR MODAK				
	a) At the Beginning of the Year	23500	0.33		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			23500	0.33
11	SHIV PUJAN SINGH				
	a) At the Beginning of the Year	0000	2.37		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0000	2.37
	TOTAL	7491	30.72	7491	30.72



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## v) 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 Beginning of the Year	134 2	4.7 1		
	b) Changes during the year				
	Date Reason				
	30/09/2017 Transfer	3 14	0.135	13 42	4.91
	0 /10/2017 Transfer	1 49	0.05	140291	4.975
	13/10/2017 Transfer	1207	0.043	14149	5.01
	27/10/2017 Transfer	124	0.004	141 22	5.022
	12/01/201 Transfer	3 9	0.014	142011	5.03
	2 /01/201 Transfer	100	0.004	142111	5.039
	23/03/201 Transfer	139	0.050	143507	5.0 9
	31/03/201 Transfer	2370	0.0 4	145 77	5.173
	c) At the End of the Year			145 77	5.173
2	RABI KUMAR ALMAL				
	a) At the Beginning of the Year	23350	0. 2		
	b) Changes during the year				
	Date Reason				
	12/01/201 Transfer	- 5	0.003	232 5	0. 25
	c) At the End of the Year			232 5	0. 25
3	SHYAM BAGARIA				
	a) At the Beginning 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
	TOTAL	299103	10. 0	3100 7	10.995

## V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	The Company has no Indebtedness during the year			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
i) Addition				
ii) Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				





**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 a % of profit		
	Others, specify		
5	Others, please specify		
	<b>Total (A)</b>		
	Ceiling as per the Act		

**B. Remuneration to other Directors :**

Sl. No.	Particulars of Remuneration	Names of Directors			Total Amount
1	<b>Independent Directors</b>	<b>Mr. Brajesh Kumar Dhandhanania</b>	<b>Mrs. Hilla Eruch Bhathena</b>		
	– Fee for attending board committee meetings	–	–	–	–
	– Commission	–	–	–	–
	– Others, please specify	–	–	–	–
	<b>Total (1)</b>	–	–	–	–
2	<b>Other Non-Executive Directors</b>	<b>Mr. Anil Jhunjhunwala</b>	<b>Mr. Shyam Bagaria</b>	<b>Mr. Rajesh Kumar Poddar</b>	
	– Fee for attending board committee meetings	–	–	–	–
	– Commission	–	–	–	–
	– Others, please specify	–	–	–	–
	<b>Total (2)</b>	–	–	–	–
	<b>Total (B)=(1+2)</b>	–	–	–	–
	<b>Total Managerial Remuneration</b>	–	–	–	–
	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.



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## 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	₹ 2,10,000	₹ 2,32,000	₹ 2,04,000	₹ 6,46,000
	(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		—	—	—	—
	<b>TOTAL</b>		<b>₹ 2,10,000</b>	<b>₹ 2,32,000</b>	<b>₹ 2,04,000</b>	<b>₹ 6,46,000</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

There were no cases of penalties, punishments or compounding of offences during the year

For and on behalf of the Board

ANIL JHUNJHUNWALA

SHYAM BAGARIA

Director

Director

DIN : 0012 717

DIN : 00121949

Place : Kolkata

Dated : 30th July, 2018



## 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 2018-19.



### **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 capex 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 on 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 07%, from ₹ 2.7 Lakh to ₹ 11.1 Lakh. For FY 2017-18, your Company's profit after tax stood at ₹ 75.9 Lakh vis-à-vis ₹ 32.71 Lakh in the previous year.

### **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 2018.

### **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.

#### **For and on behalf of the Board**

**ANIL JHUNJHUNWALA**

**SHYAM BAGARIA**

*Director*

*Director*

DIN : 0012 717

DIN : 00121949

Place : Kolkata

Dated : 30th July, 2018



**ANNEXURE 3**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH 201**

[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 01

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, 201 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, 201 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. 12

C P No. : 10 95

Place : Kolkata

Date : 30.07.2018



## 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 17 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. Re-employment**

The Director, KMP and Senior Management Personnel shall re-employ 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 re-employment 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 on:**

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) Si ng Fees:**

The Non- Execu ve / Independent Director may receive remunera on by way of fees for attending mee ngs of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per mee ng of the Board or Committee or such amount as may be prescribed by the Central Government from me to me.

**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 Op ons :**

An Independent Director shall not be en tled to any stock op on of the Company.

**4. MEMBERSHIP**

- 4.1 The Committee shall consist of a minimum three (3) non-execu ve directors, majority of them being independent.
- 4.2 Minimum two (2) members shall cons tute a quorum for the Committee mee ng.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be con nued unless terminated by the Board of Directors.

**5. CHAIRPERSON**

- 5.1 Chairperson of the Committee may 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 mee ng shall
- 5.4 choose one amongst them to act as Chairperson.
- 5.5 Chairman of the Nomina on and Remunera on Committee mee ng could be present at the Annual General Mee ng or may nominate some other member to answer the shareholders' queries.

**FREQUENCY OF MEETINGS**

The mee ng 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 en tled to be present when his or her own remunera on is discussed at a mee ng or when his or her performance is being evaluated.
- 7.2 The Committee may invite such execu ves, as it considers appropriate, to be present at the mee ngs of the Committee.

**SECRETARY**

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

**9. VOTING**

- 9.1 Matters arising for determina on at Committee mee ngs shall be decided by a majority of votes of Members present and vo ng 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 mee ng will have a cas ng 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 re-appointment 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 2018, 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, 2015. 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 derivative 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.

**For A. K. Dubey & Co.**  
*Chartered Accountants*  
(Firm Reg. No. 32951 E)

**CA Arun Kumar Dubey**  
*Partner*  
Mem. No. 057141

Place : Kolkata  
Dated : 24th May, 2018



## **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 2018, 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 Company did not have any inventory, and as such matters specified Para 3 (ii) is not applicable.
- (iii) The company has granted unsecured loan to a Company covered in the register maintained under section 19 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 15 and 17 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 17 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 14 (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 2018 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) No managerial remuneration has been paid / provided by the Company during the year under review; hence, Para 3(xi) of the Order is not applicable.
- (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 180 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 A. K. Dubey & Co.**  
*Chartered Accountants*  
(Firm Reg. No. 32951 E)

**CA Arun Kumar Dubey**  
*Partner*  
Mem. No. 057141

Place : Kolkata

Dated : 24th May, 2018



## **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 2018 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

Place : Kolkata

Dated : 24th May, 2018

**For A. K. Dubey & Co.**  
*Chartered Accountants*  
(Firm Reg. No. 32951 E)

**CA Arun Kumar Dubey**  
*Partner*  
Mem. No. 057141



# J. J. FINANCE CORPORATION LIMITED

35TH ANNUAL REPORT 2017-18

## BALANCE SHEET AS AT 31ST MARCH, 201

Particulars	Note No.	As at 31st March, 201 ₹	As at 31st March, 2017 ₹
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' fund :			
(a) Share Capital	3.1	2, 2,00,000	2, 2,00,000
(b) Reserves and Surplus	3.2	3,09,72,433	2,34,35,37
		5,91,72,433	5,1 ,35,37
(2) Non-Current Liabilities :			
(a) Deferred Tax Liabilities ( Net )	3.3	3,71,142	4,53, 44
(3) Current Liabilities :			
(a) Trade Payables	3.4		
(i) Dues of micro enterprises & small enterprises		—	—
(ii) Dues of other than micro enterprises & small enterprises		70,553	7 ,91
(b) Other Current Liabilities	3.5	35, 59	19,402
(C) Short term provisions	3.	1,1 , 31	1,11,22
		2,25,043	2,09,54
<b>Total</b>		5,97, , 1	5,22,9 ,5
<b>II. ASSETS</b>			
(1) Non Current Assets :			
(a) Fixed Assets			
Tangible Assets	3.7	14,75,454	15,5 ,131
(b) Non current Investment	3.	24,19,770	1, 3,51, 1
(C) Long-term loans and advances	3.9	1 ,09,037	1 ,09,037
		57,04,2 1	1,97,1 ,7
(2) Current Assets :			
(a) Trade Receivable	3.10	,91,021	11,91,207
(b) Cash and Bank Balances	3.11	1,01,41,3 3	1,20,9 , 35
(c) Short term loans and advances	3.12	3, 7,79,527	1, 4,00,000
(d) Other current assets	3.13	42,52,44	2 , 9,940
		5,40, 4,357	3,25,79,7 2
<b>Total</b>		5,97, , 1	5,22,9 ,5

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 A K Dubey & Co.

Chartered Accountants

(Firm Regn. No. 32951 E)

For and on behalf of the Board of Directors

CA ARUN KUMAR DUBEY

Partner

(Mem. No. 057141)

ANIL JHUNJHUNWALA

Director

DIN : 0012 717

SHYAM BAGARIA

Director

DIN : 00121949

Place : Kolkata

Date : 24th May, 201

HRIDAY MONDAL

C.F.O.

ANKITA NIGAM

Company Secretary

Mem. No. A3 293



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 201

Particulars	Note No.	For the year ended 31st March, 201 ₹	For the year ended 31st March, 2017 ₹
<b>I. Revenue :</b>			
Revenue from Operations	3.14	1,1 , 1,297	2, 7,30
Other Income		—	—
<b>Total</b>		<b>1,1 , 1,297</b>	<b>2, 7,30</b>
<b>II Expenses :</b>			
Changes in inventories of Stock-in-trade	3.15	—	1,13,343
Employee benefits expense	3.1	,59,955	, 4, 00
Finance Cost		—	—
Depreciation and amortisation expense	3.7	2, 77	97,717
Other expense	3.17	15,97,9 5	13,79,3
<b>Total</b>		<b>23,40,597</b>	<b>22,75,04</b>
<b>III. Profit before tax (I - II)</b>		<b>93,20,700</b>	<b>39,92,2 0</b>
<b>IV. Tax expense:</b>			
(1) Current Tax		1 ,00,000	7, 5,000
(2) Deferred Tax		( 2,502)	(43,944)
(3) Income Tax for earlier year(s)		, 52	—
<b>V. Profit/(Loss) for the year (III - IV)</b>		<b>75,9 ,350</b>	<b>32,71,204</b>
<b>VI. Earnings per equity share - Basic and Diluted</b> (Face Value per share ₹ 10/-)		<b>2. 9</b>	<b>1.1</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>		
<b>NOTES ON ACCOUNTS</b>	<b>3</b>		

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 **A K Dubey & Co.**

Chartered Accountants

(Firm Regn. No. 32951 E)

For and on behalf of the Board of Directors

**CA ARUN KUMAR DUBEY**

Partner

(Mem. No. 057141)

**ANIL JHUNJHUNWALA**

Director

DIN : 0012 717

**SHYAM BAGARIA**

Director

DIN : 00121949

Place : Kolkata

Date : 24th May, 201

**HRIDAY MONDAL**

C.F.O.

**ANKITA NIGAM**

Company Secretary

Mem. No. A3 293



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 201**

Particulars	2017-201		2016-2017	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>				
Net Profit before Tax and Extraordinary items	93,20,700		39,92,200	
Adjusted for :				
Depreciation	2,77		97,717	
Operating Profit before Working Capital Changes	94,03,377		40,99,917	
Adjusted for :				
Trade and Other Receivables	(10,23,320)		(1,40,333)	
Trade and other Payables	,092		33,407	
Direct Taxes paid (net of refund)	(1,57,742)		(7,07,720)	
<b>Cash Flow before extraordinary items</b>		4,90,407		17,73,799
Extraordinary Items		—		—
<b>Cash Generated from Operating Activities</b>		4,90,407		17,73,799
Net Cash from Operating Activities		4,90,407		17,73,799
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale of Investment	1,39,31,400		3,51,014	
<b>Net Cash used in Investing Activities</b>		1,39,31,400		3,51,014



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

Particulars	2017-2018		2016-2017	
	₹	₹	₹	₹
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Loans and Advances	(2,23,79,527)		(71,50,000)	
<b>Net Cash used in Financing Activities</b>		(2,23,79,527)		(71,50,000)
Net Increase in Cash and Cash Equivalents (A+B+C)		(19,57,272)		9,74,035
Opening Balance of Cash and Cash Equivalents		1,20,91,353		1,11,23,322
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>1,01,41,333</b>		<b>1,20,91,353</b>

**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	45,203
b) Balances with Bank	1,00,91,100	1,20,53,432
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1,01,41,333</b>	<b>1,20,91,353</b>

As per our report of even date attached

For **A K Dubey & Co.**  
Chartered Accountants  
(Firm Regn. No. 32951 E)

For and on behalf of the Board of Directors

**CA ARUN KUMAR DUBEY**  
Partner  
(Mem. No. 057141)

**ANIL JHUNJHUNWALA**  
Director  
DIN : 0012 717

**SHYAM BAGARIA**  
Director  
DIN : 00121949

Place : Kolkata  
Date : 24th May, 2018

**HRIDAY MONDAL**  
C.F.O.

**ANKITA NIGAM**  
Company Secretary  
Mem. No. A3 293



## **NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

### **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, 2008 (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. Difference between actual results and estimates are recognized in the period in which the results are known or materialized.

#### **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, 2018 (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.

### **2. 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. 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, 2018 (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, 201 (Contd.)**

	As at 31.03.201	As at 31.03.2017
	₹	₹
<b>3.1 SHARE CAPITAL</b>		
(i) <b>Authorised</b>		
0,00,000 (P.Y. 0,00,000) Equity Shares of ₹10 each	0,00,000	0,00,000
	<u>0,00,000</u>	<u>0,00,000</u>
(ii) <b>Issued, Subscribed and Fully Paid-up</b>		
2 ,20,000 (P.Y. 2 ,20,000) Equity Shares of ₹ 10 each	2 ,20,000	2 ,20,000
	<u>2 ,20,000</u>	<u>2 ,20,000</u>

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

	As at 31.03.201		As at 31.03.2017	
Equity Shares	No. of Shares	₹	No. of Shares	₹
Opening Balance	2 20000	2 ,20,000	2 20000	2 ,20,000
Add: Shares issued during the year	—	—	—	—
Closing Balance	2 20000	2 ,20,000	2 20000	2 ,20,000

(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 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) **The details of shareholders holding more than 5% as at 31.03.201 and 31.03.2017**

Name of Share holders	As at 31.03.201		As at 31.03.2017	
(Equity Shares of ₹ 10/- each fully paid up)	No. of Shares	held	No. of Shares	held
Panna Devi Sarda	245000	. 9	—	—
Asharam Sarda	—	—	245000	. 9
Anil Jhunjhunwala	145 77	5.17	134794	4.7
J J Projects P Ltd	549729	19.49	549729	19.49
Kanaklata Jhunjhunwala	142000	5.03	142000	5.03

(vi) The company has not issued (i) any equity shares pursuant to contract with payment being received in cash (ii) any bonus shares, or bought back any equity shares during the last five preceding financial years.



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

	As at 31.03.2018		As at 31.03.2017	
	₹	₹	₹	₹
<b>3.2 RESERVES AND SURPLUS</b>				
(i) <b>Special Reserve u/s 45-IC of RBI Act, 1934</b>				
Opening Balance		55,25,000		4,70,000
Add: Transferred from Surplus in the Statement of Profit & Loss		15,20,000		,55,000
<b>Closing Balance</b>		<b>70,45,000</b>		<b>55,25,000</b>
(ii) <b>Surplus/(deficit) in the Statement of Profit &amp; Loss</b>				
Opening Balance		1,79,10,37		1,53,14,31
Add: Profit/(Loss) for the year		75,93,350		32,71,204
Less: Provision towards Standard Assets		59,293		20,59
Surplus available for Appropriations		2,54,47,433		1,55,37
Less: <b>APPROPRIATION</b>				
Transferred to Reserve u/s 45-IC of RBI Act, 1934		15,20,000		,55,000
<b>Closing Balance</b>		<b>2,39,27,433</b>		<b>1,79,10,37</b>
<b>Total</b>		<b>3,09,72,433</b>		<b>2,34,35,37</b>
<b>3.3 DEFERRED TAX LIABILITIES NET</b>				
Depreciation and Amortisation		3,71,142		4,53,44
		<b>3,71,142</b>		<b>4,53,44</b>
<b>3.4 TRADE PAYABLES</b>				
(i) Dues of micro enterprises & small enterprises		—		—
(ii) Dues of other than micro enterprises & small enterprises		70,553		7,91
		<b>70,553</b>		<b>7,91</b>
<b>3.5 OTHER CURRENT LIABILITIES</b>				
Others		35,59		19,402
		<b>35,59</b>		<b>19,402</b>
<b>3. SHORT TERM PROVISIONS</b>				
Provision for Income Tax -				
Opening Balance		7,5,000		3,0,000
Less: Adjustment during the year		7,5,000		3,0,000
		—		—
Add: Provision for the year		1,00,000		7,5,000
		<b>1,00,000</b>		<b>7,5,000</b>
Less: Advance tax -				
Opening Balance		7,01,902		3,0,000
Less: Adjustment during the year		7,01,902		3,0,000
		—		—
Add: Paid during the year		17,792		7,01,902
		<b>17,792</b>		<b>7,01,902</b>
		<b>11,20</b>		<b>3,09</b>
Contingent provision against Standard Assets		1,07,423		4,130
		<b>1,1,31</b>		<b>1,11,22</b>

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 201 (Contd.)**

**3.7 FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.17	Addi on	Sales	As at 31.03.201	Upto 01.04.17	For the Year	Adjustments	Upto 31.03.201	As at 31.03.201	As at 31.03.2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS										
Land (Freehold)	1,45,000	-	-	1,45,000	-	-	-	-	1,45,000	1,45,000
Plant and Machinery – Wind Mill	2,15, 0,03	-	-	2,15, 0,03	2,04,90, 0	-	-	2,04,90, 0	10, 9,37	10, 9,37
– Others	9,153	-	-	9,153	, 20	-	-	, 20	333	333
Office Equipments	4, 9,4 4	-	-	4, 9,4 4	4,52, 2	-	-	4,52, 2	1 , 22	1 , 22
Electrical Installa on	35,414	-	-	35,414	35,413	-	-	35,413	1	1
Data Processing Machine	3,30,9 9	-	-	3,30,9 9	3,14,55	-	-	3,14,55	1 ,413	1 ,413
Vehicles	, 3,224	-	-	, 3,224	3,53,041	2, 77	-	4,35,71	2,27,50	3,10,1 3
Furniture & Fixtures	5,50,90	-	-	5,50,90	5,50,905	-	-	5,50,905	1	1
Total	2,37, 4,1	-	-	2,37, 4,1	2,22,0 ,057	2, 77	-	2,22, ,734	14,75,454	15,5 ,131
Previous Year	2,37, 4,1	-	-	2,37, 4,1	2,21,0 ,340	97,717	-	2,22,0 ,057	15,5 ,131	-





# J. J. FINANCE CORPORATION LIMITED

35TH ANNUAL REPORT 2017-18

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Particulars	Face Value	As at 31.03.2018		As at 31.03.2017	
		Units	₹	Units	₹
<b>3. NON CURRENT INVESTMENT</b>					
(At Cost - Other than Trade - Long Term )					
<b>i) Equity Instrument-Quoted Shares (Fully paid up)</b>					
Wopolin Plas cs Ltd.	10	,000	3,00,000	,000	3,00,000
– (Formerly : Bajaj Plas cs Ltd.)					
Ceeta Industries Ltd.	10	1,000	19,02	1,000	19,02
Indian Hotels Ltd.	1	–	–	3,000	3,25,273
Ambuja Cements Ltd.	2	–	–	2,000	47,311
Thanjavur Tex les Ltd.	10	1,000	1, 5,925	1,000	1, 5,925
J.J. Auto mo ve Ltd.	10	17,900	1,77, 21	17,900	1,77, 21
Pradeep Drugs Co. Ltd.	10	1,050	14, 5	1,050	14, 5
Recron Synthe cs Ltd.	2	500	13, 43	500	13, 43
(Formely Raymond Synthe cs Ltd.)					
Nageswar Investment Ltd.	10	30,000	1,74,100	30,000	1,74,100
Navcom Oil Products Ltd.	10	500	22,330	500	22,330
Bajaj Auto Ltd	10	–	–	100	1,54,739
Bajaj Holdings	10	200	1, 3,41	200	1, 3,41
Reliance Industries Ltd	10	–	–	100	1,04,525
Tata Motors Ltd.	2	1,000	1,71,300	1,000	1,71,300
Unitech Ltd	2	1,500	7,395	1,500	7,395
			<b>12, 9, 23</b>		<b>19,01, 71</b>
<b>ii) Equity Instrument-Un-Quoted Shares (Fully paid up)</b>					
J J Projects (P) Ltd.	10	1,43,153	,20,947	1,43,153	,20,947
Pinnacle Leasing & Finance (P) Ltd.	10	1,400	14,000	1,400	14,000
Kohinoor Stockbroking (P) Ltd.	10	10,000	1,00,000	10,000	1,00,000
Chitrakoot Proper es Ltd.	10	4,500	3,15,000	4,500	3,15,000
KPJ Estates Pvt. Ltd.	10	10,000	1,00,000	10,000	1,00,000
			<b>11,49,947</b>		<b>11,49,947</b>
<b>iii) Preference Share-Instrument-Un-Quoted (Fully paid up)</b>					
J J Auto mo ve Limited	10	–	–	13,00,000	<b>1,33,00,000</b>
( Non-Cumula ve Redeemable Preference Share)					
<b>Total</b>			<b>24,19,770</b>		<b>1, 3,51, 1</b>
a) Aggregate Value of Quoted Investment (i + ii)			<b>12, 9, 23</b>		<b>19,01, 71</b>
b) Aggregate Value of Unquoted Investment (iii + iv)			<b>11,49,947</b>		<b>1,44,49,947</b>
			<b>24,19,770</b>		<b>1, 3,51, 1</b>
c) Market value of Quoted Investment			<b>23,00,27</b>		<b>35, 9,95</b>



## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

	As at 31.03.2018		As at 31.03.2017	
	₹	₹	₹	₹
<b>3.9 LONG TERM LOAN &amp; ADVANCES</b>				
Security Deposit		13,23		13,23
Advance for booking of Flat		17,95, 01		17,95, 01
		<u>1, 09,037</u>		<u>1, 09,037</u>
<b>3.10 TRADE RECEIVABLES</b>				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from due date		7,57,9 9		9, 4,444
Others		1,33,052		2,0 ,7 3
		<u>,91,021</u>		<u>11,91,207</u>
<b>3.11 CASH AND BANK BALANCE</b>				
<u>Cash and Cash Equivalents</u>				
Balance with Bank - In current account		1,00,9 ,1 0		1,20,53,432
Cash in hand		45,203		45,203
		<u>1,01,41,3 3</u>		<u>1,20,9 , 35</u>
<b>3.12 SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
<u>Advances recoverable in cash or kind</u>				
Loan and advances to related parties		3, 7,50,000		1, 4,00,000
Others		29,527		—
		<u>3, 7,79,527</u>		<u>1, 4,00,000</u>
<b>3.13 OTHER CURRENT ASSETS</b>				
Interest Receivable		42,19,100		2 ,52,119
Prepaid Expenses		33,34		37, 21
		<u>42,52,44</u>		<u>2 , 9,940</u>



# J. J. FINANCE CORPORATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

	31.03.2018 ₹	31.03.2017 ₹
<b>3.14 REVENUE FROM OPERATIONS:</b>		
(i) <b>Operating Revenue</b>		
Sales Of Share	—	2,72,59
Interest Income	4,792	31,902
Profit on Sale of Investment	5,44,29	14,53,44
	<u>1,03,34,321</u>	<u>4,95,301</u>
(ii) <b>Other Operating Revenue</b>		
Dividend Income	17,50	10,519
Electricity Generation	13,09,12	13,042
Excess Liability Written Back	—	1,000
	<u>13,26,62</u>	<u>13,72,005</u>
<b>Total</b>	<u>1,16,60,943</u>	<u>2,77,301</u>
<b>3.15 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
<b>Finished Goods</b>		
Opening Stock	—	7,34,71
Less: Closing stock	—	—
	—	7,34,71
Less: Trf. to Non Current Investment	—	21,375
	—	<u>1,13,343</u>
<b>3.1 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	59,955	4,00
	<u>59,955</u>	<u>4,00</u>
<b>3.17 OTHER EXPENSES</b>		
Advertisement & Publicity	14,074	10,943
Bank Charges	2,49	52
Postage & Telegram	4,491	7,971
Conveyance expenses	3,09	320
Insurance	5	9,374
Lis ing Fees	3,19,903	2,41,023
Membership Fees	31,450	3,205
Auditors' Remuneration:		
– For Statutory Audit	1,000	11,500
– For Other services	25,70	1,425
Printing and stationery	40,472	33,900
Professional Fees	4,902	51,
Repairs and Maintenance (Others)	7,44	7,443
Repairs to plant and machinery (Wind Power)	10,11	7,40,59
Telephone Charges	13,174	15,39
Travelling Expenses	33,41	—
Miscellaneous Expenses	1,000	31,225
	<u>15,97,955</u>	<u>13,79,301</u>





## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

### 3.1 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, 2018. Therefore, there are no dues outstanding to Micro, Small and Medium Enterprises (Previous year Nil).

### 3.19 SEGMENT REPORTING

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

(₹ in Lakh)

Sl. No.	Particulars	31.03.2018	31.03.2017
<b>1</b>	<b><u>Segment Revenue</u></b>		
	i) Finance Business	103.52	49.07
	ii) Electricity Generation	13.09	13.00
	<b>Net Sales/Income from Operations</b>	<b>116.61</b>	<b>62.07</b>
<b>2</b>	<b><u>Segment Results</u></b>		
	<b>Profit before Tax &amp; Interest from each segment</b>		
	i) Finance Business	9.00	34.50
	ii) Electricity Generation	4.21	5.30
	<b>Profit before Tax</b>	<b>13.21</b>	<b>39.80</b>
<b>3</b>	<b><u>Capital Employed (Segment Assets Less Segment Liabilities)</u></b>		
	i) Finance Business	575.09	497.30
	ii) Electricity Generation	20.35	23.20
	<b>Total</b>	<b>595.44</b>	<b>520.50</b>

### 3.20 RELATED PARTY DISCLOSURES AS IDENTIFIED BY MANAGEMENT IN ACCORDANCE WITH THE ACCOUNTING STANDARD 18 :

#### A. Name and Description of relationship with the related parties :

##### 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.



**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

**B. Transaction with related party during the year and the status of outstanding as on 31st March, 2018**

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

(₹ in Lakh)

Loan Given	Principal	Interest	Total
Opening Balance	14.00	2.52	192.52
Addition/Accrued during the year	341.50	42.19	33.9
Refund/Repaid during the year	11.00	2.52	14.52
Closing Balance	37.50	42.19	429.9

**3.21 BASIC AND DILUTED EARNING PER SHARE**

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

Particulars	31.03.2018	31.03.2017
a) Net Profit after Tax(₹) available for Equity Shares of ₹ 10/- each	75,93,350	32,71,204
b) Number of Equity Shares of ₹ 10/- each	2,20,000	2,20,000
c) Basic and Diluted Earning Per Share (a/b) (in ₹)	2.9	1.1

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

**3.23** Financial figures have been rounded off to nearest rupees.

**3.24** Schedule to the Balance Sheet as on 31st March, 2018 of a Non-Banking Financial Company is Annexed (Annexure - A)

**SIGNATURE TO NOTE**

As per our report of even date attached

For **A K Dubey & Co.**  
Chartered Accountants  
(Firm Regn. No. 32951 E)

**CA ARUN KUMAR DUBEY**  
Partner  
(Mem. No. 057141)

Place : Kolkata  
Date : 24th May, 2018

For and on behalf of the Board of Directors

**ANIL JHUNJHUNWALA**  
Director  
DIN : 0012 717

**HRIDAY MONDAL**  
C.F.O.

**SHYAM BAGARIA**  
Director  
DIN : 00121949

**ANKITA NIGAM**  
Company Secretary  
Mem. No. A3 293

**ANNEXURE 'A' TO NOTE 3.24**

Schedule to the Balance Sheet as on 31st March 2018 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)

**Liabilities side :**

(₹ in lakh)

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
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		
<b>Total</b>	—	—

**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	457.32
<b>Total</b>	<b>457.32</b>
(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
<b>Total</b>	<b>Nil</b>
(4) Break-up of Investments :	
<b>Current Investments :</b>	
<b>1. Quoted :</b>	
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



## J. J. FINANCE CORPORATION LIMITED

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<b>2. Unquoted :</b>		<b>Amount outstanding</b>
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
<b>Long Term Investments :</b>		
<b>1. Quoted :</b>		
i) Shares : a) Equity		12.70
b) Preference		Nil
ii) Debentures and Bonds		Nil
iii) Units of mutual funds		Nil
iv) Government Securities		Nil
v) Others (please specify)		Nil
<b>2. Unquoted :</b>		
i) Shares : a) Equity		11.50
b) Preference		Nil
ii) Debentures and Bonds		Nil
iii) Units of mutual funds		Nil
iv) Government Securities		Nil
v) Others (please specify)		Nil
<b>Total</b>		<b>24.20</b>

(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	429.9	429.9
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	27.3	27.3
<b>Total</b>	<b>Nil</b>	<b>457.32</b>	<b>457.32</b>



( ) **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	11.23	9.99
c) Other related parties	Nil	Nil
2. Other than related parties	23.27	14.21
<b>Total</b>	<b>34.50</b>	<b>24.20</b>

\* 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 :**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1997.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- 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.

For A K Dubey & Co.  
Chartered Accountants  
(Firm Regn. No. 32951 E)

CA ARUN KUMAR DUBEY  
Partner  
(Mem. No. 057141)

Place : Kolkata  
Date : 24th May, 2018

For and on behalf of the Board of Directors

ANIL JHUNJHUNWALA  
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## NOTES



