

J. J. FINANCE CORPORATION LTD.

Regd. Off. : Unit No. 14, 8th Floor, Premises No. IID/14,
Action Area - IID, New Town, Rajarhat, Kolkata - 700 156
CIN : L65921WB1982PLC035092

Tel : 6646 6646 / 2229 6000
E-mail : jjfc@jjauto.org
Website : www.jjfc.co.in



Date: 05.09.2020

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

Dear Sir,

**Sub: Submission of 37th Annual Report for the year 2019-20 under Regulation 34 of the SEBI
(Listing Obligations and Disclosure Requirements), Regulations, 2015**

Please find enclosed herewith Annual Report for the Financial Year 2019-20 pursuant to the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual Report for the financial year 2019-20 is also being made available on the website of the Company at <https://www.jjfc.co.in/financial.htm>.

Kindly take the same on record and oblige.

Thanking you.

Yours faithfully,
For J. J. Finance Corporation Limited

Anujit Singh
Company Secretary and Compliance Officer
Mem. No.: A55516

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

Encl.: As above



37th
ANNUAL REPORT
2019-2020

J. J. FINANCE CORPORATION LIMITED



J. J. FINANCE CORPORATION LIMITED

37th Annual Report 2019-20

BOARD OF DIRECTORS :

Mr. Anil Jhunhunwala, Director
Mrs. Hilla Eruch Bhathena, Independent Woman Director
Mr. Kamal Nain Saraf, Independent Director (w.e.f. 21.06.2019)
Mr. Rajesh Kumar Poddar, Director
Mr. Shyam Bagaria, Director
Mr. Surjit Singh, Independent Director (w.e.f. 21.06.2019)
Mr. Oscar Pascal Sequeira, Additional Independent Director
(upto 22.07.2019)

MANAGEMENT PERSONNEL :

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

COMPANY SECRETARY :

Ms. Ankita Nigam (Upto 17.09.2019)
Mr. Anujit Singh (w.e.f. 17.09.2019)

REGISTERED OFFICE :

Unit No. 14, 8th Floor, Premises No. IID/14,
Action Area - IID, New Town, Rajarhat,
Kolkata - 700 156

STATUTORY AUDITOR :

M/S. A. K. Dubey & Co.
Chartered Accountants
Fjord Tower, Flat No. 19A2, 1925, Chakgaria
Hiland Park, Kolkata - 700094

INTERNAL AUDITOR :

M/S. Guha & Matilal
Chartered Accountants
20, Strand Road, Kolkata-700001

SECRETARIAL AUDITOR :

M/S. Corporate Advisors Law Professionals LLP
1st Floor, Room No. 6, 19A, Jawaharlal Nehru Road
Kolkata - 700 087

LEGAL ADVISORS :

R. L. Gaggar & Co.

BANKER :

Indian Overseas Bank

SHARE TRANSFER AGENT :

M/S. Niche Technologies Pvt. Ltd.
3A, Auckland Place, 7th Floor, Room No. 7A & 7B,
Kolkata - 700017

CONTENTS : PAGES

Directors' Report 2-11

Annexure 12-32

STANDALONE FINANCIAL STATEMENTS

Auditors Report 34-41

Balance Sheet 42

Statement of Profit and Loss 43

Statement of Changes in Equity 44

Cash Flow Statement 45

Statement of Significant Accounting
policies and Practices 46-71

Annual General Meeting

Date: September 28, 2020 at 03:00 P.M
through Video Conferencing (VC)/ Other
Audio Visual Means (OAVM)

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the Thirty Seventh (37th) Annual Report and the Audited Financial Statements on the business and operations of your Company for the year ended 31st March, 2020.

FINANCIAL RESULTS

Particulars	₹ in thousand's	
	For the year ended 31st March	
	2020	2019
Profit before Depreciation and Tax	2859	3270
Less : Depreciation	162	83
Profit before Tax :	2697	3187
Current Tax	405	705
Deferred Tax	397	(38)
MAT Credit Entitlement	345	165
Profit after Tax	1550	2355
Add : Balance brought forward from last year	27780	25639
Transfer from Equity Investment Reserve upon realisation	—	362
Less : Transferred to Reserve U/s 45-IC of RBI Act, 1934	311	573
Provision towards Standard Assets	1	3
Balance carried forward	29018	27780

SUMMARY OF OPERATIONS

During the year, the net revenue from operations of your Company decreased from ₹ 59.23 Lakh to ₹ 58.57 Lakh. For FY 2019 – 20, your Company's profit after tax stood at ₹ 15.50 Lakh vis-à-vis ₹ 23.55 Lakh in the previous year.

COVID-19

Towards the end of the financial year, the World Health Organisation (WHO) declared Covid-19 a pandemic and the outbreak, which infected millions, has resulted in deaths of a significant number of people globally. Covid-19 is seen having an unprecedented impact on people and economies worldwide. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. It is focused on controlling costs, maintaining liquidity and closely monitoring to the operations.

The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The Company operates its business in conformity with the highest ethical standards and employee centricity. In view of the outbreak of the pandemic, The Company undertook timely measures to ensure the safety and wellbeing of its employees at all levels. The employees were allowed to work from home by providing adequate digital and other assistance. The Company observed all the government advisories and guidelines thoroughly.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

The Registered Office of the Company was shifted effective July 1, 2019 to Unit No. 14, 8th Floor, Premises No. IID/14, Action Area - IID, New Town, Rajarhat Kolkata - 700156, West Bengal.

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, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company. As on 31st March, 2020, the issued, subscribed and paid up share capital of your Company stood at ₹ 2.82 crore, comprising 28.2 lakh equity shares of ₹ 10/- each.



INDIAN ACCOUNTING STANDARD (IND AS)

The Company has adopted Indian Accounting Standards ("IND AS") from April 01, 2019 with a transition date of April 01, 2018. Accordingly, the financial statement for the year 2019-20 have been prepared in accordance with IND AS, prescribed under Section 133 of the Act, read with the relevant rules issued thereunder and the other recognised accounting practices and policies to the extent applicable.

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, 2020. During the year, your Company transferred a sum of ₹ 3.11 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 2019-20, the Board met Eleven times. The meetings were held on 29th April, 2019, 16th May, 2019, 21st June, 2019, 1st July, 2019, 22nd July, 2019, 16th August, 2019, 12th September, 2019, 17th September, 2019, 12th December, 2019, 13th February, 2020 and 20th March, 2020. 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 composition of the Committees of the Board of Directors as on 31.03.2020 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 Jhunjunwala	Non- Executive Director	Member
3	Mr. Surjit Singh*	Independent Director	Member

*Mr. Surjit Singh, Independent Director of the Company was inducted in the committee and Mr. Oscar Pascal Sequeira ceased to be a member of the committee w.e.f., 22nd July, 2019.

During the year, the Committee had met six times on 16th May, 2019, 22nd July, 2019, 16th August, 2019, 12th September, 2019, 12th December, 2019 and 13th February, 2020.

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. Surjit Singh*	Independent Director	Member

*Mr. Surjit Singh, Independent Director of the Company was inducted in the committee and Mr. Oscar Pascal Sequeira ceased to be a member of the committee w.e.f., 22nd July, 2019.

During the year, the Committee had met five times on 10th April, 2019, 21st June, 2019, 22nd July, 2019, 17th September, 2019 and 20th March, 2020.

c. Stakeholders Relationship Committee

Sl. No.	Name	Category of Directors / Members	Chairman / Members
1	Mr. Anil Jhunjunwala	Non-Executive Director	Chairman
2	Mr. Shyam Bagaria	Non-Executive Director	Member
3	Mrs. Hilla Eruch Bhathena	Independent Director	Member

During the year, the Committee had met Three times on 29th August, 2019, 10th October, 2019 and 19th December, 2019.

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	Mrs. Hilla Eruch Bhathena	1	1
2	Mr. Kamal Nain Saraf	1	1
3	Mr. Surjit Singh	1	1

During the year, a meeting of Independent Directors was held on 27th November, 2019. All Independent Directors were present in the meeting.



Types of Meeting	Date of Meeting	Names of Directors' / Members Present
Board Meetings	29.04.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Oscar Pascal Sequeira, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	16.05.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Oscar Pascal Sequeira, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	21.06.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Oscar Pascal Sequeira, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	01.07.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Oscar Pascal Sequeira, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	22.07.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	16.08.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	12.09.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	17.09.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	12.12.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	13.02.2020	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
	20.03.2020	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
Audit Committee Meetings	16.05.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena & Mr. Oscar Pascal Sequeira.
	22.07.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena
	16.08.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena & Mr. Surjit Singh
	12.09.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena & Mr. Surjit Singh.
	12.12.2019	Mr. Anil Jhunhunwala & Mrs. Hilla Eruch Bhathena & Mr. Surjit Singh
	13.02.2020	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena & Mr. Surjit Singh.
Annual General Meetings	25.09.2019	Mr. Anil Jhunhunwala, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar, Mr. Shyam Bagaria, Mr. Kamal Nain Saraf & Mr. Surjit Singh.
Nomination & Remuneration Committee Meeting	10.04.2019	Mrs. Hilla Eruch Bhathena Mr. Rajesh Kumar Poddar & Mr. Oscar Pascal Sequeira.
	21.06.2019	Mrs. Hilla Eruch Bhathena Mr. Rajesh Kumar Poddar & Mr. Oscar Pascal Sequeira.
	22.07.2019	Mrs. Hilla Eruch Bhathena & Mr. Rajesh Kumar Poddar.
	17.09.2019	Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Surjit Singh.
	20.03.2020	Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Surjit Singh.



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

Types of Meeting	Date of Meeting	Names of Directors' / Members Present
Stakeholder Relationship Committee Meetings	29.08.2019	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Shyam Bagaria
	10.10.2019	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Shyam Bagaria
	19.12.2019	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Shyam Bagaria
Meeting of Independent Directors	27.11.2019	Mrs. Hilla Eruch Bhathena, Mr. Kamal Nain Saraf & Mr. Surjit Singh.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Inductions

The following appointments were made during the year:

- Mr. Kamal Nain Saraf and Mr. Surjit Singh were appointed as Independent Directors of the Company, considering their experience and expertise in corporate advisory and finance and their good understanding of the business, effective June 21, 2019 for a term of five years.
- Mr. Anujit Singh was appointed as Company Secretary & Compliance Officer effective September 17, 2020.

Re-appointment

- As per the provisions of the Companies Act, 2013, Mr. Anil Jhunjunwala, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends his reappointment.
- Mrs. Hilla Eruch Bhathena was re-appointed to the Board as an independent director considering her integrity, expertise and experience effective August 26, 2019 for a second term of five consecutive years.

Retirements and resignations

The following Resignations were made during the year:

- Mr. Oscar Pascal Sequeira, Additional Independent Director resigned from the Board of the Company with effect from July 22, 2019.
- Ms. Ankita Nigam resigned as Company Secretary & Compliance Officer effective September 17, 2020.

All the Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no other changes in the Board or in the Key Managerial Personnel of the Company during the year.

Directors/KMP'S as on 01.04.2019	Resignation/Retirement during the year	Appointments/ Re-appointment during the year	Directors/KMP'S as on 31.03.2020
Mr. Anil Jhunjunwala	—	—	Mr. Anil Jhunjunwala
Mr. Rajesh Kumar Poddar	—	—	Mr. Rajesh Kumar Poddar
Mr. Shyam Bagaria	—	—	Mr. Shyam Bagaria
Mrs. Hilla Eruch Bhathena	—	26.08.2019 (Re-appointed)	Mrs. Hilla Eruch Bhathena
Mr. Oscar Pascal Sequeira	22.07.2019	—	—
Mr. Kamal Nain Saraf	—	21.06.2019	Mr. Kamal Nain Saraf



Directors/KMP'S as on 01.04.2019	Resignation/Retirement during the year	Appointments/ Re- appointment during the year	Directors/KMP'S as on 31.03.2020
Mr. Surjit Singh		21.06.2019	Mr. Surjit Singh
Mr. Rabi Kumar Almal (CEO)	–	–	Mr. Rabi Kumar Almal (CEO)
Ms. Ankita Nigam (CS)	17.09.2019	–	–
Mr. Hriday Mondal (CFO)	–	–	Mr. Hriday Mondal (CFO)
		17.09.2019	Mr. Anujit Singh (CS)

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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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

Mrs. Hilla Eruch Bhathena, Mr. Kamal Nain Saraf and Mr. Surjit Singh are Independent Directors on the Board of your Company as on 31st March, 2020. These Non-Executive Independent Directors have given declaration to the company stating that they fulfill the conditions of Independence specified in Section 149(6) 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 29th April, 2019. 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 2019-20. A structured questionnaire was prepared after taking



into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION

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

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

DISCLOSURE ON REMUNERATION TO EMPLOYEES EXCEEDING SPECIFIED LIMITS

The Company had no employees who were in receipt of remuneration in excess of ₹ 102 lakh per annum during the year ended 31st March, 2020 or of more than ₹ 8.5 lakh per month during any part thereof, hence no information under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be given.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to Members and others entitled thereto excluding the information on employees particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. There are no employees drawing salaries in excess of the limit prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

FINANCIAL CONTROLS

Effective Internal Controls are necessary for building up an efficient organization. Our Company has adequate Internal Control systems in place to ensure accuracy, transparency and accountability in its operations. A dedicated concurrent audit team functioning within the Company confirms that the activities are in compliance with its policies and occurrences of deviations are reported to the Management. The concurrent audit report is reviewed by the internal auditors - M/s Guha & Matilal, a firm of practicing Chartered Accountants. Internal auditors review operations of the Company and ensure that the Company



is functioning within the limits of all applicable statutes. Any Internal Control weaknesses, non compliance with statutes and suggestions on improvements in existing practices forms part of internal audit report. Audit Committee reviews the internal audit report and ensures that observations pointed out in the report are addressed in a timely and structured manner by the Management. The Internal Audit Report is reviewed by Statutory Auditors while performing audit functions to confirm that there are no transactions conflicting with interests of the Company. The Internal Financial Controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. Further, it is believed that the controls are largely operating effectively since there has not been any identification of any major material weakness in the company. The directors have in the Directors Responsibility Statement under paragraph (e) confirmed the same to this effect.

STATUTORY AUDITORS 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 307068E) 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. However, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors, who were appointed at the Annual General Meeting, held on 15th September, 2017.

The Report given by the Statutory Auditors on the financial statements of the Company for the financial year 2019-20, forms a part of the Annual Report 2019-20. 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, Practicing Company Secretary, had been appointed Secretarial Auditor of the Company for the financial year 2019 - 20. 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 & Matilal, a firm of practicing Chartered Accountants to carry out the internal audit functions. The Internal auditor submits half yearly reports to the audit committee. The Internal Auditors' Reports 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 186 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 Indian Accounting Standard – 24 (Ind-AS 24) 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 2019-2020

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 2020 – 21 have been paid.

**SECRETARIAL STANDARDS**

The Directors confirm that the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, which have been approved by the Central Government have been duly followed by your Company.

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 2019-20, 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*

Place : Kolkata

Dated : 24th August, 2020

DIN : 00128717

DIN : 00121949



COMPLIANCE CERTIFICATE FROM CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER PURSUANT TO REGULATION 17(8) 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, 2020 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

Place : Kolkata

Dated : 24th August, 2020

RABI KUMAR ALMAL

Chief Executive Officer

HRIDAY MONDAL

Chief Financial Officer

DECLARATION UNDER REGULATION 26(3) AND PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to Regulation 26(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, 2020.

For J. J. Finance Corporation Limited

Place : Kolkata

Dated : 24th August, 2020

RABI KUMAR ALMAL

Chief Executive Officer



ANNEXURE 1

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

I. REGISTRATION AND OTHER DETAILS :

- (i) CIN : L65921WB1982PLC035092
- (ii) Registration Date : 17th July, 1982
- (iii) Name of the Company : J J Finance Corporation Limited
- (iv) Category/Sub-Category of the Company : Company Limited by Shares
Indian Non Government Company
- (v) Address of the Registered Office and contact details : Unit No. 14, 8th Floor, Premises No. IID/14. Action Area - IID
New town, Rajarhat, Kolkata - 700 156
Phone No. +91-33-6646-6646 / 2229-6000
- (vi) Whether listed Company (Yes/No) : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Niche Technologies Pvt. Ltd.
3A, Auckland Place, 7th Floor
Room No. 7A & 7B , Kolkata - 700 017
Phone No. +91-33-2280 6616 / 17 / 18

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Financial Income	6499*	82.70
2	Electricity Generation	3510*	17.30

* The NIC code of the Product or Service has been mentioned as per the Ministry of Statistics and Product Implementation.

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.					



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

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	
A.	PROMOTERS									
(1)	Indian									
	a) Individual / HUF	610164	500	610664	21.655	610989	0	610989	21.666	0.011
	b) Central Government									
	c) State Government									
	d) Bodies Corporate	745911	0	745911	26.451	812797	0	812797	28.823	2.372
	e) Banks / Financial Institutions									
	f) Any Other									
	Sub-total (A)(1)	1356075	500	1356575	48.105	1423786	0	1423786	50.489	2.384
(2)	Foreign									
	a) NRIs - Individuals									
	b) Other - Individuals									
	c) Bodies Corporate									
	d) Banks / Financial Institutions									
	e) Any Other									
	Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	1356075	500	1356575	48.105	1423786	0	1423786	50.489	2.384
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
	a) Mutual Funds									
	b) Banks / Financial Institutions									
	c) Central Governments									
	d) State Governments									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) Foreign Institutional Investors (FII)									
	h) Foreign Venture Capital Funds									
	i) Others (Specify)									
	Sub-total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000



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-Institutions									
	a) Bodies Corporate									
	i) Indian	131434	341425	472859	16.768	134951	281425	416376	14.765	-2.003
	ii) Overseas									
	b. Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	91316	421046	512362	18.169	95576	415896	511472	18.137	-0.032
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	317881	150050	467931	16.593	317881	150050	467931	16.593	0.000
	c) Others Specify									
	1. NRI	26	100	126	0.004	26	100	126	0.004	0.000
	2. Overseas Corporate Bodies									
	3. Foreign Nationals									
	4. Clearing Members	10147	0	10147	0.360	309	0	309	0.011	-0.349
	5. Trusts									
	6. Foreign Bodies - D.R.									
	Sub-total (B)(2)	550804	912621	1463425	51.895	548743	847471	1396214	49.511	-2.384
	Total Public Shareholding (B) = (B)(1)+(B)(2)	550804	912621	1463425	51.895	548743	847471	1396214	49.511	-2.384
C.	Shares held by Custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	1906879	913121	2820000	100.000	1972529	847471	2820000	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 HUF	45800	1.624	0.000	45800	1.624	0.000	0.000
2	ANIL JHUNJHUNWALA	161997	5.745	0.000	162322	5.756	0.000	0.011
3	ANITA KANOI	20100	0.713	0.000	20100	0.713	0.000	0.000
4	J. J. AUTOMOTIVE LTD.	27100	0.961	0.000	27100	0.961	0.000	0.000
5	J.J. PROJECTS PVT. LTD	549929	19.501	0.000	549929	19.501	0.000	0.000
6	K P JHUNJHUNWALA	139425	4.944	0.000	139425	4.944	0.000	0.000
7	K. P. JHUNJHUNWALA HUF	50100	1.777	0.000	50100	1.777	0.000	0.000
8	KANAKLATA JHUNJHUNWALA	142000	5.035	0.000	142000	5.035	0.000	0.000
9	KOHINOOR STOCK BROKING PVT LTD	168882	5.989	0.000	235768	8.361	0.000	2.372
10	VEDIKA JHUNJHUNWALA	24292	0.861	0.000	24292	0.861	0.000	0.000
11	VIDHI BERI	26950	0.956	0.000	26950	0.956	0.000	0.000
	TOTAL	1356575	48.105	0.000	1423786	50.489	0.000	2.384



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

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 HUF				
	a) At the Beginning of the Year	45800	1.624		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			45800	1.624
2	ANIL JHUNJHUNWALA				
	a) At the Beginning of the Year	161997	5.745		
	b) Changes during the year				
	Date Reason				
	27/03/2020 Transfer	325	0.012	162322	5.756
	c) At the End of the Year			162322	5.756
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	0.961		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			27100	0.961
5	J.J. PROJECTS PVT. LTD				
	a) At the Beginning of the Year	549929	19.501		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			549929	19.501
6	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
7	K. P. JHUNJHUNWALA HUF				
	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
8	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



SI No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	KOHINOOR STOCK BROKING PVT LTD				
	a) At the Beginning of the Year	168882	5.989		
	b) Changes during the year				
	Date Reason				
	05/04/2019 Transfer	12941	0.459	181823	6.448
	21/06/2019 Transfer	16014	0.568	197837	7.015
	28/06/2019 Transfer	19436	0.689	217273	7.705
	05/07/2019 Transfer	6833	0.242	224106	7.947
	20/09/2019 Transfer	4434	0.157	228540	8.104
	27/09/2019 Transfer	7227	0.256	235767	8.361
	30/09/2019 Transfer	1	0.000	235768	8.361
	c) At the End of the Year			235768	8.361
10	VEDIKA JHUNJHUNWALA				
	a) At the Beginning of the Year	24292	0.861		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			24292	0.861
11	VIDHI BERI				
	a) At the Beginning of the Year	26950	0.956		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			26950	0.956
	TOTAL	1356575	48.105	1423786	50.489

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

SI 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	ASHISH VINIMAY PRIVATE LIMITED				
	a) At the Beginning of the Year	60000	2.128		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			60000	2.128
2	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



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

SI 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	BSS METALS PVT LTD				
	a) At the Beginning of the Year	20000	0.709		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			20000	0.709
4	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
5	MANORAMA ALMAL				
	a) At the Beginning of the Year	26166	0.928		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			26166	0.928
6	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
7	PANNA DEVI SARDA				
	a) At the Beginning of the Year	245000	8.688		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			245000	8.688
8	RESOURCE VINCOM PRIVATE LIMITED				
	a) At the Beginning of the Year	75725	2.685		
	b) Changes during the year				
	Date Reason				
	05/04/2019 Transfer	-4008	0.142	71717	2.543
	21/06/2019 Transfer	-22984	0.815	48733	1.728
	28/06/2019 Transfer	-18252	0.647	30481	1.081
	20/09/2019 Transfer	-4000	0.142	26481	0.939
	27/09/2019 Transfer	-7229	0.256	19252	0.683
	c) At the End of the Year			19252	0.683
9	SANJAY KUMAR MODAK				
	a) At the Beginning of the Year	23500	0.833		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			23500	0.833
10	SHIV PUJAN SINGH				
	a) At the Beginning of the Year	80000	2.837		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			80000	2.837



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
11	SOMA MODAK				
	a) At the Beginning of the Year	70000	2.482		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			70000	2.482
	TOTAL	827916	29.359	771443	27.356

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	161997	5.745		
	b) Changes during the year				
	Date Reason				
	27/03/2020 Transfer	325	0.012	162322	5.756
	c) At the End of the Year			162322	5.756
2	RABI KUMAR ALMAL				
	a) At the Beginning of the Year	23265	0.825		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			23265	0.825
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	186762	6.623	187087	6.634

**J. J. FINANCE CORPORATION LIMITED**

37TH ANNUAL REPORT 2019-20

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

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	<i>The Company has no Managing Director, Whole Time Director or Manager during the year.</i>	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	As % of profit		
	Others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

**B. Remuneration to other Directors :**

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

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Mr. Rabi Kumar Almal (Chief Executive Officer)	Ms. Ankita Nigam (Company Secretary upto 17.09.2019)	Mr. Hriday Mondal (Chief Financial Officer)	Mr. Anujit Singh (Company Secretary w.e.f 17.09.2020)	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	₹ 2,16,000	₹ 1,84,484	₹ 2,15,503	₹ 2,28,597	₹ 8,44,584
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–	–	–	–
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–	–	–
2	Stock Option	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–
4	Commission	–	–	–	–	–
	– As % of profit	–	–	–	–	–
	– Others, specify.	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
	TOTAL	₹ 2,16,000	₹ 1,84,484	₹ 2,15,503	₹ 2,28,597	₹ 8,44,584

**J. J. FINANCE CORPORATION LIMITED**

37TH ANNUAL REPORT 2019-20

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board**ANIL JHUNJHUNWALA***Director*

DIN : 00128717

SHYAM BAGARIA*Director*

DIN : 00121949

Place : Kolkata

Dated : 24.08.2020

**ANNEXURE 2****MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

The financial year 2019-20 had been quite a challenging year for the Indian economy and particularly for the financial services sector. The continued liquidity crunch, uncertain and volatile credit environment and slow economic growth created headwinds. The COVID-19 pandemic and subsequent lockdowns have impacted the businesses and aggravated the prevailing sectoral challenges. Non-Banking Financial Companies (NBFCs), today, are confronted with multiple challenges. The unprecedented business environment has put to test the resilience, prudence and adaptability of any business model. The Company continues to closely observe the situation.

The NBFC segment witnessed marginal growth during first half of 2019-20 but during the second half of the year, NBFCs were impacted on account of tight liquidity conditions, high cost of borrowing and volatility in the capital markets. The spread of the COVID-19 pandemic and the subsequent synchronized lockdown across the country resulted in shrinking of the capital market lending business.

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

The Covid-19 crisis has disrupted global economy and created extraordinary challenges. The economic activity in India was down to a standstill owing to the nation-wide lockdown in India.



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

During the lockdown J.J. Finance Corporation Ltd migrated to 100% work from home scenario and all the business operations continue to run smoothly.

However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions. The Company is cautiously optimistic in its outlook for the year 2020-21.

RISKS AND AREAS OF CONCERN

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE

During the year, the net revenue from operations of your Company decreased from ₹ 59.23 Lakh to ₹ 58.57 Lakh. For FY 2019 - 20, your Company's profit after tax stood at ₹ 15.50 Lakh vis-à-vis ₹ 23.55 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, 2020.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Ratios are used to make a holistic assessment of financial performance of the entity, and also help evaluating the entity's performance vis-à-vis its peers within the industry. The NBFC sector is growing rapidly with borrowings comprising the largest source of funding. The key financial ratios of the company for F.Y. 2019-20 have shown a decline due to decrease in the revenue of the company while the liability has decreased during the year in concern. The Company is not a manufacturing unit and does not have any Non-Performing Assets (NPA), hence ratios related to those are not applicable. The significant changes in the other applicable key financial ratios are as follows:

Name of Ratios	FY 2019 - 20	FY 2018 - 19	Change (%)	Reasons for Change
Debtors Turnover	0.59	1.09	45.87	Sluggish collection of accounts receivable
Current Ratio	65.74	408.97	83.93	Increase in current liabilities and decrease in current assets
Debt Equity Ratio	0.010	0.002	400	Increase in liabilities
Net Profit Margin (%)	26.47	39.77	33.44	Decline in profit

**CHANGE IN RETURN ON NET WORTH AS COMPARED TO PREVIOUS YEAR**

Return on Net Worth (RONW) is a measure of profitability of a company expressed in percentage. Return on Net Worth for the financial year 2019-20 is 1.74% while the Return on Net Worth for the financial year 2018-19 was 2.74%. The decline in Return on Net Worth is mainly due to the decrease in revenue of the company. The company is making continuous effort to make optimum utilization of the shareholders' fund and perform better in the time to come.

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 : 00128717

DIN : 00121949

Place : Kolkata

Dated : 24th August, 2020



FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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 LTD
Unit No. 14, 8th Floor, Premises No. IID/14,
Action Area -IID, New Town, Rajarhat
Kolkata 700156

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 LTD**, 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 LTD**, 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, 2020 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 LTD**, ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (iv) 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (v) Corporate Governance Voluntary Guidelines- 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (vi) 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) SEBI-Listing Obligations and Disclosure Requirements (LODR), Regulations, 2015,

During the period under review the Company has complied with the provisions of the Co. 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

COMPANY SECRETARY IN PRACTICE

FCS No. 8128

C P No. : 10895

UDIN: F008128B000582011

Place : Kolkata

Date : 14.08.2020



NOMINATION & REMUNERATION POLICY

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

1. OBJECTIVE

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

- 1.1. To recommend the Board regarding the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for their further evaluation.
- 1.3. To recommend to the Board a policy relating Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy in respect of Board diversity
- 1.7. To develop a successive plan for the Board and to regularly review the same;

2. DEFINITIONS

- 2.1. Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. **Key Managerial Personnel**, in relation to a company, means-
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Company Secretary;
 - 2.4.3. Whole-time director;
 - 2.4.4. Chief Financial Officer;
 - 2.4.5. Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the board; and
 - 2.4.6. such other officer as may be prescribed.
- 2.5. **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including the personnel holding designation of General Manager and above.



3. ROLE OF COMMITTEE

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

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

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

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.



3.2.3. Evaluation

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

3.2.4. Removal

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

3.2.5. Retirement

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

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

3.3.1. General :

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

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

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

a) Fixed pay :

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

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

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

b) Sitting Fees:

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

c) Commission :

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

d) Stock Options :

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

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum three (3) directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee 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 meeting shall
- 5.4 choose one amongst them to act as Chairperson.
- 5.5 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

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



9. VOTING

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

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

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

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



FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

To the Members of J. J. Finance Corporation Limited

REPORT ON THE AUDIT OF STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of J. J. Finance Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31-March-2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and Notes to the standalone Ind AS financial statements, (including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read together with Companies (Indian Accounting Standards) Rules, 2015, of the state of affairs of the Company as at 31-March-2020, and its Profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

EMPHASIS OF MATTER

We draw your attention to Note No. 18 of Financial Statements which explains the management's assessment/evaluation of the financial impact due to lockdown arising with the advent of COVID 19.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

INFORMATION OTHER THAN THE STANDALONE IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report comprising Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, among others; but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to



the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the Ind AS standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The comparative financial information of the Company for the year ended 31-March-2019 and the transition date opening Balance Sheet as at 01-April-2018 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006. We expressed an unmodified opinion on those standalone financial statements. The said financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (1) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act & Rules made thereunder.
 - (e) On the basis of the written representations received from the directors as on 31-March-2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31-March-2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- (g) No remuneration to director has been paid by the Company during the year under audit ; hence reporting under section 197(16) of the Act as to whether director's remuneration paid is in accordance with the provisions of Section 197, is not applicable to the Company.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company did not have any pending litigations which would impact its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were 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.
- (2) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A. K. DUBEY & CO.,
Chartered Accountants
(Firm Reg. No. 329518E)

CA Arun Kumar Dubey
Partner

Mem. No. 057141

UDIN : 2005141AAAAAZ6662

Place : Kolkata

Date : 27-July-2020



ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

[Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date to the Members of J.J. Finance Corporation Limited]

Report on the Internal Financial Controls Over Financial Reporting 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 Limited (“the Company”) as of 31-March-2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management represented by the Board of directors, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over the 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 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 of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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 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 was 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 controls 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 controls 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 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 controls 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, to the best of our information and according to the explanations given to us, 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-2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India.

For A. K. DUBEY & CO.,
Chartered Accountants
(Firm Reg. No. 329518E)

CA Arun Kumar Dubey
Partner

Mem. No. 057141
UDIN : 2005141AAAAAZ6662

Place : Kolkata

Date : 27-July-2020



ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of J. J. Finance Corporation Ltd)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme /policy of physical verification of its fixed assets included in Property, Plant & Equipments (PPE) by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us on test basis, we report that, the title deeds in respect of freehold immovable properties of land and buildings, are held in the name of the Company as at the Balance Sheet date. In respect of leasehold immovable properties, the lease agreements are 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 189 of the Companies Act, 2013. The terms and conditions of the grant of such loans are not prejudicial to the company’s interest. As per information and explanation given to us, the loan is repayable on demand, and there is no overdue amount; hence, Para 3(iii) (b) & (c) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Act in respect of loans granted and investments made during the year.
- (v) The Company has not accepted any deposit; and hence, Para 3(v) of the Order is not applicable.
- (vi) As informed, maintenance of cost records has not been specified by the Central Government u/s 148(1) of the Companies Act; hence Para 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise , value added tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at 31 March 2020 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government of the to the standalone Ind AS financial statements. The Company did not have any outstanding debentures during the year.



- (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 upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (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 & accordingly, reporting under Clause (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable; and the details have been disclosed in the Financial Statements as required by the applicable Indian 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with them; hence, provisions of Section 192 of the Companies Act, 2013 & Clause (xv) of the Order are not applicable.
- (xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and registration has been obtained.

For A. K. DUBEY & CO.,
Chartered Accountants
(Firm Reg. No. 329518E)

CA Arun Kumar Dubey
Partner

Mem. No. 057141

UDIN : 2005141AAAAAZ6662

Place : Kolkata

Date : 27-July-2020



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
ASSETS				
Financial Assets	4			
Cash and Cash Equivalents	4.1	97,22,214	1,16,78,101	1,01,41,363
Receivables	4.2			
- Trade Receivables	4.2.1	20,75,939	13,75,175	8,91,021
- Other Receivables	4.2.2	43,37,084	42,15,277	42,19,100
Loans	4.3	4,03,00,000	4,00,00,000	3,87,79,527
Investment in Shares & Securities	4.4	3,59,44,138	2,98,85,349	2,63,89,392
Other Financial Assets	4.5	13,236	13,236	13,236
		9,23,92,611	8,71,67,138	8,04,33,639
Non-Financial Assets	5			
Current Tax Assets (Net)	5.1	4,95,028	6,78,492	8,74,674
Property, Plant and Equipment	5.2	13,10,100	13,92,777	14,75,454
Right-to-use Asset	5.3	2,37,620	-	-
Other Non-Financial Assets	5.4	18,29,629	18,29,107	18,29,147
		38,72,377	39,00,376	41,79,275
Total Assets		9,62,64,988	9,10,67,514	8,46,12,914
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities	6			
Payables				
- Trade Payables				
i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,94,513	7,551	70,553
Lease Liability	6.1	2,43,595	-	-
Other Financial Liabilities	6.2	2,80,510	23,600	35,250
		9,18,618	31,151	1,05,803
Non-Financial Liabilities	7			
Provisions	7.1	1,90,920	1,10,538	1,07,423
Deferred Tax Liabilities (Net)	7.2	60,06,558	51,09,960	42,71,056
Other Non-Financial Liabilities	7.3	26,301	333	609
		62,23,779	52,20,831	43,79,088
Equity	8			
Equity Share Capital	8.1	2,82,00,000	2,82,00,000	2,82,00,000
Other Equity	8.2	6,09,22,591	5,76,15,532	5,19,28,023
		8,91,22,591	8,58,15,532	8,01,28,023
Total Liabilities and Equity		9,62,64,988	9,10,67,514	8,46,12,914
Corporate Information & Significant Accounting Policies	1 & 2			
First Time adoption of Ind AS	3			
Accompanying notes to the financial statements	4 to 20			

The Notes referred to above form an integral part of the accounts.
In terms of our report of even date attached herewith.

For A.K Dubey & Co.

Chartered Accountants
Firm Registration No. 329518E

CA Arun Kumar Dubey

Partner
Mem. No. 057141
Place : Kolkata
Date : 27th July, 2020

For and on behalf of the Board of Directors

Shyam Bagaria
(Director)
DIN : 00121949

Anil Jhunjunwala
(Director)
DIN : 00128717

Hriday Mondal
(Chief Financial Officer)

Rabi Kumar Almal
(Chief Executive Officer)

Anujit Singh
(Company Secretary)
Mem. No. : A55516



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Notes	2019-2020 ₹	2018-2019 ₹
Revenue from Operations			
Interest on Loan		48,18,979	46,83,633
Dividend		23,375	750
Income from Electricity Generation		10,13,287	12,38,217
Speculation Profit		1,769	-
Total Revenue from Operations		58,57,410	59,22,600
Other Income		-	-
Total Income		58,57,410	59,22,600
Expenses	9		
Finance Costs	9.1	16,768	-
Employee Benefits Expenses	9.2	10,67,410	10,58,218
Depreciation and amortization expenses	9.3	1,61,884	82,677
Others expenses	9.4	19,14,383	15,94,277
Total Expenses		31,60,445	27,35,172
Profit Before Tax		26,96,965	31,87,428
Tax Expense:	10		
a) Current Tax		4,04,608	7,05,520
b) Deferred Tax		3,96,951	(37,969)
c) MAT Credit Entitlement		3,45,211	1,64,538
		11,46,770	8,32,089
Profit for the Year		15,50,195	23,55,339
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
- Changes in fair value of Equity Instruments		22,57,566	42,12,158
- Tax Expense relating to above item		(4,99,647)	(8,76,873)
(B) Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the Year		17,57,919	33,35,285
Total Comprehensive Income for the year (Profit+ Other Comprehensive Income)		33,08,114	56,90,624
Earnings Per Equity Share	11		
Basic & Diluted		1.17	2.02
Corporate Information & Significant Accounting Policies	1 & 2		
First Time adoption of Ind AS	3		
Accompanying notes to the financial statements	4 to 20		

The Notes referred to above form an integral part of the accounts.

In terms of our report of even date attached herewith.

For A.K Dubey & Co.

Chartered Accountants

Firm Registration No. 329518E

CA Arun Kumar Dubey

Partner

Mem. No. 057141

Place : Kolkata

Date : 27th July, 2020

For and on behalf of the Board of Directors

Shyam Bagaria
(Director)
DIN : 00121949

Anil Jhunjunwala
(Director)
DIN : 00128717

Hriday Mondal
(Chief Financial Officer)

Rabi Kumar Almal
(Chief Executive Officer)

Anujit Singh
(Company Secretary)
Mem. No. : A55516



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Equity Share Capital

Particulars	Notes	As at 1st April 2018	Changes during 2018-2019	As at 31st March 2019	Changes during 2019-2020	As at 31st March, 2020
		₹	₹	₹	₹	₹
Authorized 6000000 Equity shares of ₹10/- each	8.1	6,00,00,000	-	6,00,00,000	-	6,00,00,000
Issued, subscribed and paid up 2820000 Equity shares of ₹10/- each fully paid up		2,82,00,000	-	2,82,00,000	-	2,82,00,000

Other Equity

Particulars	Notes	Reserves & Surplus		Equity Investment Reserve (upon fair value through other comprehensive income)	Total
		Reserve Fund (As per RBI Guidelines)	Retained Earnings		
		₹	₹	₹	₹
Balance as at 01.04.2018		70,45,000	2,56,38,869	1,92,44,154	5,19,28,023
Profit for the year		-	23,55,339	-	23,55,339
Transfer from Equity Investment Reserve to Profit & Loss upon realisation		-	3,61,484	(3,61,484)	-
Transfer to Reserve Fund from Statement of Profit & Loss		5,73,000	(5,73,000)	-	-
Transfer to Contingent Provision against Standard Assets		-	(3,115)	-	(3,115)
Other comprehensive income for the year		-	-	33,35,285	33,35,285
Total comprehensive income for the year		5,73,000	21,40,708	29,73,801	56,87,509
Balance as at 31.03.2019		76,18,000	2,77,79,577	2,22,17,955	5,76,15,532
Profit for the year		-	15,50,195	-	15,50,195
Transfer to Reserve Fund from Statement of Profit & Loss		3,10,500	(3,10,500)	-	-
Transfer to Contingent Provision against Standard Assets		-	(1,055)	-	(1,055)
Other comprehensive income for the year		-	-	17,57,919	17,57,919
Total comprehensive income for the year		3,10,500	12,38,640	17,57,919	33,07,059
Balance as at 31.03.2020		79,28,500	2,90,18,217	2,39,75,874	6,09,22,591

**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	2019-2020 ₹	2018-2019 ₹
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	26,96,965	31,87,428
Adjusted for :		
Depreciation and amortisation expense	1,61,884	82,677
Interest Income	(48,18,979)	(46,83,633)
Loss from sale of investment	-	5,128
Finance cost on Lease Liabilities	16,768	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(19,43,362)	(14,08,400)
Adjusted for :		
Increase/(decrease) in trade and other payables	9,92,762	(74,928)
Increase/(decrease) in trade and other receivables	(8,23,093)	(4,80,289)
CASH GENERATED FROM OPERATIONS	(17,73,693)	(19,63,617)
Direct Taxes paid / adjusted	(5,66,355)	(6,73,876)
Cash flow before extra ordinary items	(23,40,048)	(26,37,493)
Net cash from Operating activities (A)	(23,40,048)	(26,37,493)
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Investments	(38,01,223)	-
Sale of Investments	-	7,11,071
Leased Assets	(3,16,827)	-
Net Cash from investing activities (B)	(41,18,050)	7,11,071
CASH FLOW FROM FINANCING ACTIVITIES :		
Loans	(3,00,000)	(12,20,473)
Interest Income	48,18,979	46,83,633
Finance Cost on Lease Liabilities	(16,768)	-
Net Cash from Financing activities (C)	45,02,211	34,63,160
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)	(19,55,887)	15,36,738
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,16,78,101	1,01,41,363
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	97,22,214	1,16,78,101

01. Proceeds from long term and other borrowings are shown net of repayment.

02. Cash and Cash equivalents represent cash and bank balances only.

In terms of our report of even date attached herewith.

For A.K Dubey & Co.

Chartered Accountants

Firm Registration No. 329518E

CA Arun Kumar Dubey

Partner

Mem. No. 057141

Place : Kolkata

Date : 27th July, 2020

For and on behalf of the Board of Directors

Shyam Bagaria

(Director)

DIN : 00121949**Anil Jhunjunwala**

(Director)

DIN : 00128717**Hriday Mondal**
(Chief Financial Officer)**Rabi Kumar Almal**
(Chief Executive Officer)**Anujit Singh**
(Company Secretary)
Mem. No. : A55516



NOTES TO THE FINANCIAL STATEMENT for the year ended 31st March, 2020

1. CORPORATE INFORMATION

J J Finance Corporation Limited ("the Company") is a public limited company domiciled and incorporated in India and its shares are listed with the Bombay Stock Exchange ("BSE") and with the Calcutta Stock Exchange ("CSE"), India. The registered office of the company is situated at Unit No. 14, 8th Floor, Premises No. IID/14, Action Area-IID, New Town, Rajarhat, Kolkata- 7000156.

The registered office of the company have been changed from 3C, Park Plaza, 71 Park Street, 3rd Floor, South Block-Kolkata-700016 to Unit No. 14, 8th Floor, Premises No. IID/14, Action Area-IID, New Town, Rajarhat, Kolkata- 7000156 w.e.f 1st July, 2019.

The company is carrying on the business of Finance and Generation of Electricity through Wind Power Mill.

The financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on 27th July, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements (Separate financial statements) have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP). These financial statements for the year ended 31st March 2020 are the first the Company has prepared in accordance with Ind AS. Refer to note 3 for an explanation of how the transition from previous GAAP to Ind AS has effected presentation of company's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees ("INR" or "₹").

2.2 Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.14. Accounting estimates could change from period to period. Actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Property, Plant and Equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

is located, the obligation for which the company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind-AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment is calculated using the straight-line method. The useful lives estimated for the major classes of property, plant and equipment are as follows:

Class of property, plant and equipment	Useful life (in years) As per Companies Act 2013	Useful life (in years) as followed by the Company
Plant & Machineries	15, 22 Years	15, 22 Years
Office Equipments	5 Years	5 Years
Electrical Installations	10 years	10 years
Data Processing Machines	3 Years	3 Years
Vehicles	8 Years	8 Years
Furniture & Fixtures	10 Years	10 Years

The useful lives have been determined based on technical evaluation done by the management's experts, which in some cases may differ from the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of acquisition of the asset including the assets as on the date of transition. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit and loss when the asset is derecognised.

2.4 Cash and Cash Equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits maturing within twelve months from the date of Balance Sheet, which are subject to an insignificant risk of changes in value.

2.5 Financial Instruments

A. Financial Instruments -Initial recognition and measurement

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

B.1. Financial assets –Subsequent measurement

The Subsequent measurement of financial assets depends on their classification which is as follows:

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

b. Financial assets measured at amortised cost

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

c. Financial assets at fair value through OCI

All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

B.2. Financial assets – Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

C.1. Financial liabilities – Subsequent measurement

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any.

b. Financial liabilities measured at amortised cost

Interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the statement of profit and loss.

C.2. Financial liabilities – Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or expires.

D. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

E. Fair value measurement

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

The principal or the most advantageous market must be accessible to the company.

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, duties or other charges collected on behalf of the government/authorities.

The specific recognition criteria for the various types of the company's activities are described below:

Interest income

Interest on Loan is recognised using the effective interest rate method. The effective interest rate is that rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established.

Other Income

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

2.7 Employee benefits

Short Term employee benefits

Liabilities for wages, salaries and other employee benefits that are expected to be settled within twelve months of rendering the service by the employees are classified as short term employee benefits. Such short term employee benefits are measured at the amounts expected to be paid when the liabilities are settled.

Post employment benefits

(a) Defined benefit plans

The liabilities recognised in the balance sheet in respect of defined benefit plan is the value of the defined benefit obligation related to gratuity at the end of the year.

The liabilities in respect of defined benefit plan related to gratuity is calculated on accrual basis at the end of every year and net changes in the liability is included in employee benefit expense in the statement of profit and loss.

Payment related to defined benefit plan related to gratuity is included in employee benefit expenses in the statement of profit & loss.

2.8 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company recognises right-to-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-to-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-to-use assets is subsequently measured at cost less any accumulated amortisation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-to-use assets is amortised from the commencement date of lease over the period of lease term or useful life of right-to-use asset.

Right-to-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 "Leases" to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying assets is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Company recorded the lease liability at the present value of total remaining lease payments discounted at the incremental borrowing rate as on the date of commencement of lease. The lease liability is amortised during the period of lease. Payment against lease is divided into repayment of lease liabilities and interest cost on lease liabilities.

Company as a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

2.9 Taxes

Current Tax

The current tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.10 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has present determined obligations as a result of past events an outflow of resources embodying economic benefits will be required to settle the obligations. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is not recognised but disclosed in the notes to the accounts, unless the probability of an outflow of resources is remote.

A contingent asset is generally neither recognised nor disclosed.

2.11 Earnings per share

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

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

2.12 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.13 Impairment of assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

2.14 Critical accounting estimates:

Property, plant and equipment

Property, plant and equipment represent a considerable proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Recoverability of Trade Receivable/Advances and provision for the same

Judgements are required in assessing the recoverability of overdue trade receivables and advances and determining whether a provision against those receivables and advances is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

3. FIRST TIME ADOPTION OF IND AS

These separate financial statements of J.J. Finance Corporation Limited for the year ended March, 31, 2020 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with 1st April, 2018 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the separate financial statements for the year ended 31st March, 2020 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has effected the Company's Balance Sheet, Statement of Profit and Loss is explained in Note 3.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in Note 3.1.

3.1 Exemptions availed on first time adoption

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Estimates

Ind AS 101 provides that an entity's estimates as per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" at the date of transition shall be consistent with the estimates made for same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Accordingly, the company has made Ind AS estimates as at the transition date i.e. 1st April 2018 which are consistent with estimates made by it under the previous GAAP for the same date. The company made estimates for following items in accordance with Ind AS at the date of transition since these were not required under previous GAAP :

- i) Investment in equity instruments valued at Fair Value through OCI
- ii) Impairment of financial assets based on expected credit loss model.

(b) Deemed Cost

Ind AS 101 provides an option under Ind AS 16 "Property, Plant and Equipment", to continue with the carrying value of all its property, plant and equipment as recognised in financial statements as on transition date, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments for de-commissioning liabilities instead of measuring at fair value on the transition date.

The company has elected to measure all of its property, plant and equipments as on the transition date at their previous GAAP carrying value.

3.2 Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101:

- a) Equity as at 1st April, 2018 and as at 31st March, 2019
- b) Net Profit for the year ended 31st March, 2019.



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

a) Reconciliation of Equity as at 1st April, 2018 and as at 31st March, 2019.

	Notes to first time adoption	As at 31 March 2019 (₹)	As at 1 April 2018 (₹)
Equity under previous GAAP		6,20,29,421	5,91,72,433
Adjustments:-			
Change in Fair valuation of Equity Instruments	1	2,22,17,955	1,92,44,154
Deferred tax adjustments	2	8,46,812	8,25,554
MAT Credit adjustments	3	7,21,344	8,85,882
Equity under Ind AS		8,58,15,532	8,01,28,023

b) Reconciliation of total comprehensive income for the year ended 31 March, 2019

	Notes to first time adoption	As at 31 March 2019 (₹)
Profit after tax as per previous GAAP		28,60,102
Adjustments:-		
Change in Fair valuation of Equity Instruments	1	29,73,801
Deferred Tax adjustments	2	21,259
MAT Credit Adjustments	3	(1,64,538)
Total comprehensive income as per Ind AS		56,90,624

c) There are no material adjustments to the statements of cash flows as reported under the previous GAAP.

d) Notes to first time adoption:

Note 1 : Change in Fair valuation of Equity Instruments

Under the previous GAAP, investments in equity instruments were classified as long term investments based on the intended holding period and realisation. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value at each reporting period.

Fair value changes with respect to investments in equity instrument are valued at fair value through OCI have been recognised in Equity Investment Reserve as at the date of transition and subsequently in other comprehensive income for the year ended 31st March 2019. This increased other reserve by ₹ 222.18 Lacs as at 31st March, 2019 (1st April, 2018 ₹ 192.44 Lacs)

Consequent to the above, the total equity as at 31st March, 2019 increased by ₹ 230.65 Lacs (1st April, 2018 ₹ 200.70 Lacs) and total comprehensive income for the year ended 31st March 2019 increased by ₹ 29.74 Lacs

Note 2 : Deferred Tax Adjustments

Tax adjustments relating to above adjustments are recognised and adjusted in retained earnings on the date of transition. Deferred tax adjustments relating to the year ended 31st March, 2019 have been adjusted in the statement of profit and loss for the said year.

Note 3 : MAT Credit Entitlement

The company's MAT credit entitlement to the tune of ₹ 8.85 lacs as at the date of transition was not recognised under previous GAAP. However, under Ind AS, the same needs to be recognised as an asset. Accordingly, as at the date of transition, the MAT credit entitlement has been recognised as an asset with a corresponding increase in retained earnings by the said amount.


J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
4 FINANCIAL ASSETS			
4.1 CASH AND CASH EQUIVALENTS			
Cash in Hand	45,204	45,203	45,203
Balance with Scheduled Banks in Current Account	96,77,010	1,16,32,898	1,00,96,160
	97,22,214	1,16,78,101	1,01,41,363
4.2 RECEIVABLES			
4.2.1 Trade Receivables			
(Unsecured, considered good)			
Due for more than six months	20,75,939	11,07,052	7,57,969
Others	-	2,68,123	1,33,052
	20,75,939	13,75,175	8,91,021
4.2.2 Other Receivables			
(Unsecured, considered good)			
Due for more than six months	-	-	-
Others	43,37,084	42,15,277	42,19,100
	43,37,084	42,15,277	42,19,100
4.3 LOANS			
(Unsecured, considered good)			
At Amortised Cost (In India)			
Repayable on Demand			
- To a Related Party	4,03,00,000	4,00,00,000	3,87,50,000
- To Others	-	-	29,527
	4,03,00,000	4,00,00,000	3,87,79,527



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Particulars	Face Value ₹	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
4.4 INVESTMENTS				
In India				
At Fair Value Through Other Comprehensive Income				
In Fully paid up Equity Shares of Companies:				
i) Quoted :				
Wopolin Plastics Limited - (Formerly : Bajaj Plastics Limited) [6000]	10/-	25,620	25,620	25,620
Ceeta Industries Limited [1000]	10/-	3,950	4,400	6,490
Thanjavur Textiles Limited [1000]	10/-	14,000	14,000	14,000
J.J. Automotive Limited [Nil (31.03.19-17900, 01.04.2018-17900)]- Since Delisted	10/-	-	3,02,510	3,02,510
Pradeep Drugs Co. Limited [1050]	10/-	1,628	1,628	1,628
Recron Synthetics Limited (Formerly Raymond Synthetics Limited) [500]	2/-	4,350	4,350	3,175
Nageswar Investment Limited [30000]	10/-	12,00,000	12,00,000	12,00,000
Navcom Oil Products Limited [500]	10/-	22,330	22,330	22,330
Tata Motors Limited [Nil (31.03.2019- Nil, 01.04.2018- 1000)]	2/-	-	-	5,32,900
Bajaj Holdings & Investment Limited [Nil (31.03.2019-Nil, 01.04.2018- 200)]	10/-	-	-	1,83,300
Unitech Limited [1500]	2/-	1,875	2,085	8,325
Abbott India Limited [10 (31.03.2019- Nil, 01.04.2018- Nil)]	10/-	1,54,511	-	-
Asian Paints Limited [100 (31.03.2019-Nil, 01.04.2018- Nil)]	1/-	1,66,650	-	-
Balkrishna Industries Limited [100 (31.03.2019- Nil, 01.04.2018- Nil)]	2/-	79,165	-	-
Embassy Office Parks REIT Limited [600 (31.03.2019- Nil, 01.04.2018- Nil)]	300/-	2,10,444	-	-
Hindustan Unilever Limited [100 (31.03.2019- Nil, 01.04.2018- Nil)]	1/-	2,29,850	-	-
Nestle India Limited [20 (31.03.2019- Nil, 01.04.2018- Nil)]	10/-	3,26,012	-	-
Proctor & Gamble Health Limited [50 (31.03.2019- Nil, 01.04.2018- Nil)]	10/-	1,81,650	-	-
Pidilite Industries Limited [100 (31.03.2019- Nil, 01.04.2018- Nil)]	1/-	1,35,640	-	-
Siemens Limited [200 (31.03.2019- Nil, 01.04.2018- Nil)]	2/-	2,22,680	-	-
SRF Limited [50 (31.03.2019- Nil, 01.04.2018- Nil)]	10/-	1,39,165	-	-
Infosys Limited [500 (31.03.2019- Nil, 01.04.2018- Nil)]	5/-	3,20,750	-	-
Larson & Toubro Limited [500 (31.03.2019- Nil, 01.04.2018- Nil)]	2/-	4,04,250	-	-
Oil India Limited [3000 (31.03.2019- Nil, 01.04.2018- Nil)]	10/-	2,47,950	-	-
Oil & Natural Gas Corporation Limited [3000 (31.03.2019- Nil, 01.04.2018- Nil)]	5/-	2,04,900	-	-
Reliance Industries Limited [300 (31.03.2019- Nil, 01.04.2018- Nil)]	10/-	3,34,125	-	-
Tata Consultancy Services Limited [200 (31.03.2019- Nil, 01.04.2018- Nil)]	1/-	3,65,220	-	-
[i]		49,96,715	15,76,923	23,00,278



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Particulars	Face Value ₹	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
4.4 INVESTMENTS (Contd.)				
ii) Unquoted:				
J J Projects (P) Limited [143153]	10/-	2,59,87,996	2,59,87,996	2,20,34,110
Pinnacle Leasing & Finance (P) Limited [1400]	10/-	4,200	4,200	13,594
Kohinoor Stockbroking (P) Limited [10000]	10/-	4,70,500	4,70,500	3,59,100
Chitrakoot Properties Limited [4500]	10/-	5,93,730	5,93,730	4,45,410
KPJ Estates Private Limited [10000]	10/-	12,52,000	12,52,000	12,36,900
J.J. Automotive Limited [17900 (31.03.2019- Nil, 01.04.2018- Nil)]	10/-	26,38,997	-	-
[II]		3,09,47,423	2,83,08,426	2,40,89,114
[I+II]		3,59,44,138	2,98,85,349	2,63,89,392
Note: Unit of Investment in shares is in Number				
Aggregate amount of Quoted Investments and market value thereof		49,96,715	15,76,923	23,00,278
Aggregate amount of Unquoted Investments		3,09,47,423	2,83,08,426	2,40,89,114
4.5 OTHER FINANCIAL ASSETS				
Security Deposit		13,236	13,236	13,236
5 NON - FINANCIAL ASSETS				
5.1 CURRENT TAX ASSETS (NET)				
Taxation and Advance and Refundables (Net of Provisions)		1,18,895	(42,852)	(11,208)
MAT Credit Entitlement		3,76,133	7,21,344	8,85,882
		4,95,028	6,78,492	8,74,674

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

5.2 PROPERTY, PLANT & EQUIPMENT

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2018 ₹	Addition/ (Deduction) ₹	As at 31.03.2019 ₹	Addition/ (Deduction) ₹	As at 31.03.2020 ₹	Upto 01.04.2018 ₹	For the Year ₹	Upto 31.03.2020 ₹	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
TANGIBLE											
Land (Freehold)	1,45,000	-	1,45,000	-	1,45,000	-	-	-	1,45,000	1,45,000	1,45,000
Plant and Machinery :											
- Wind Mill	10,69,378	-	10,69,378	-	10,69,378	-	-	-	10,69,378	10,69,378	10,69,378
- Others	333	-	333	-	333	-	-	-	333	333	333
Office Equipments	16,822	-	16,822	-	16,822	-	-	-	16,822	16,822	16,822
Electrical Installation	1	-	1	-	1	-	-	-	1	1	1
Data Processing Machine	16,413	-	16,413	-	16,413	-	-	-	16,413	16,413	16,413
Vehicles	2,27,506	-	2,27,506	-	2,27,506	-	82,677	82,677	62,152	1,44,829	2,27,506
Furniture & Fixtures	1	-	1	-	1	-	-	-	1	1	1
Total	14,75,454	-	14,75,454	-	14,75,454	-	82,677	82,677	13,10,100	13,92,777	14,75,454

5.3 RIGHT-TO-USE ASSET

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK		
	As at 01.04.2018 ₹	Addition/ (Deduction) ₹	As at 31.03.2019 ₹	Addition/ (Deduction) ₹	As at 31.03.2020 ₹	Upto 01.04.2018 ₹	For the Year ₹	Upto 31.03.2020 ₹	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
Office Premises	-	-	-	3,16,827	3,16,827	-	-	79,207	2,37,620	-	-
Total	-	-	-	3,16,827	3,16,827	-	-	79,207	2,37,620	-	-




J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
5.4 OTHER NON-FINANCIAL ASSETS			
Prepaid Expenses	33,828	33,306	33,346
Advance for Flat	17,95,801	17,95,801	17,95,801
	18,29,629	18,29,107	18,29,147
6 FINANCIAL LIABILITIES			
6.1 Lease Liability	2,43,595	-	-
6.2 OTHER FINANCIAL LIABILITIES			
Outstanding Liabilities	2,80,510	23,600	35,250
7.1 PROVISIONS			
Contingent provision against Standard Assets	1,11,593	1,10,538	1,07,423
Provision for Employee Benefits- Gratuity	79,327	-	-
	1,90,920	1,10,538	1,07,423
7.2 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax (Asset)/Liability relating to:			
- Depreciation on Property, Plant and Equipment	3,33,956	3,54,432	3,71,142
- Equity Instruments measured at Fair Value	61,01,988	56,02,341	47,25,468
- Income Tax Base of Equity Instruments	(3,09,169)	(2,24,364)	(2,09,090)
- Employee Benefits- Gratuity	(20,625)	-	-
- Unabsorbed Losses	(99,592)	(6,22,449)	(6,16,464)
	60,06,558	51,09,960	42,71,056
7.3 OTHER NON-FINANCIAL LIABILITIES			
Statutory Dues	26,301	333	609
8 EQUITY			
8.1 EQUITY SHARE CAPITAL			
Authorised :			
6000000 Equity shares of ₹ 10/- each	6,00,00,000	6,00,00,000	6,00,00,000
Issued, Subscribed and Paid up :			
2820000 Equity shares of ₹ 10/- each fully paid up	2,82,00,000	2,82,00,000	2,82,00,000

a) Details of shareholders holding more than 5% of the Equity Shares in the company:

Name of Shareholder	As at 31.03.2020		As at 31.03.2019		As at 01.04.2018	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Panna Devi Sarda	245000	8.69%	245000	8.69%	245000	8.69%
Anil Jhunjunwala	162322	5.76%	161997	5.74%	145877	5.17%
J J Projects (P) Limited	549929	19.50%	549929	19.50%	549729	19.49%
Kohinoor Stock Broking Private Limited	235768	8.36%	168882	5.98%	125500	4.45%
Kanaklata Jhunjunwala	142000	5.03%	142000	5.03%	142000	5.03%



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

b) The reconciliation of the number and amount of equity shares outstanding

Equity Shares	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% holding	Nos.	% holding
Opening balance	28,20,000	2,82,00,000	28,20,000	2,82,00,000
Add: Shares issued during the year	-	-	-	-
Closing Balance	28,20,000	2,82,00,000	28,20,000	2,82,00,000

c) Term/Rights attached to Equity Shares:

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays Dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) 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.

Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹	As at 01.04.2018 ₹
8.2 OTHER EQUITY			
a) Reserve Fund - (As per RBI Guidelines)			
Balance as per last Account	76,18,000	70,45,000	70,45,000
Add: Transfer from Statement of Profit & loss	3,10,500	5,73,000	-
	79,28,500	76,18,000	70,45,000
b) Retained Earnings			
Surplus in the Statement of Profit and Loss			
Balance as per last Account	2,77,79,577	2,56,38,869	2,56,38,869
Add: Profit for the year	15,50,195	23,55,339	-
Add: Transfer from Equity Investment Reserve upon realisation	-	3,61,484	-
Less: Transfer to Reserve Fund	(3,10,500)	(5,73,000)	-
Less: Transfer to Contingent Provision against Standard Assets	(1,055)	(3,115)	-
Total Retained Earnings	2,90,18,217	2,77,79,577	2,56,38,869
c) Equity Investment Reserve			
As per last Account	2,22,17,955	1,92,44,154	-
Changes in fair value of equity instruments	17,57,919	33,35,285	1,92,44,154
Less: Transfer to Retained Earnings upon realisation	-	(3,61,484)	-
	2,39,75,874	2,22,17,955	1,92,44,154
TOTAL	6,09,22,591	5,76,15,532	5,19,28,023

Nature of Reserves :**Reserve Fund - (As per RBI guidelines)**

Reserve Fund represents a statutory provisions created as per the RBI guidelines applicable for NBFC Companies.

Equity Investment Reserve :

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net off amounts reclassified to retained earnings when those assets have been disposed off.



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

	2019-2020 ₹	2018-2019 ₹
9 EXPENSES		
9.1 FINANCE COST		
Interest on Lease Liabilities	16,768	-
9.2 EMPLOYEE BENEFITS EXPENSE		
Salary, Wages and other allowances	10,67,410	10,58,218
9.3 DEPRECIATION & AMORTISATION EXPENSES		
- On Property, Plant & Equipment	82,677	82,677
- On Leased Asset	79,207	-
	1,61,884	82,677
9.4 OTHER EXPENSES		
Rates & Taxes	20,950	4,650
Advertisement & Publicity	12,977	12,896
Postage & Telegram	78,495	1,65,811
Insurance	83,208	83,612
Listing Fees	3,66,390	3,15,650
Membership Fees	33,040	29,090
Printing and stationery	36,177	50,971
Professional Fees	2,37,510	81,832
Repair & Maintenance:		
- To Plant and Machinery (Wind Power)	9,29,217	7,62,060
- To Others	8,791	3,599
Auditors' Remuneration :		
- For Statutory Audit	29,500	17,700
- For Other services	50,150	41,450
Loss on sale of Investment	-	5,128
Bank Charges	598	1,046
Miscellaneous Expenses	27,380	18,782
	19,14,383	15,94,277
10 TAX EXPENSE		
a) Current Tax		
Provision For Income Tax	4,18,000	6,90,000
Income Tax for Earlier Years	(13,392)	15,520
	4,04,608	7,05,520
b) Deferred Tax		
Deferred Tax Adjustments	3,96,951	(37,969)
c) MAT Credit Entitlement	3,45,211	1,64,538


NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

(i) The major components of tax expense for the years ended 31 March 2020 and 31 March 2019 are:

	2019-2020 ₹	2018-2019 ₹
Current Tax:		
Current tax expenses for current year	4,18,000	6,90,000
Current tax expenses pertaining to prior periods	(13,392)	15,520
	4,04,608	7,05,520
Deferred tax adjustments	3,96,951	(37,969)
Mat Credit Entitlement	3,45,211	1,64,538
Total tax expense reported in the statement of profit or loss	11,46,770	8,32,089

(ii) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expenses reported in statement of profit and loss is as follows:

	2019-2020 ₹	2018-2019 ₹
Profit before income taxes	26,96,965	31,87,428
At statutory income tax rate	26.00%	26.00%
Expected Income Tax expenses	7,01,000	8,29,000
Tax effects of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax expenses pertaining to prior periods	(13,392)	15,520
Income exempt from tax	(6,078)	(195)
MAT Credit Adjustment	(3,45,211)	(1,64,538)
Non Deductible Expenses for Tax Purpose	68,178	21,496
Round Off	110	4,237
Total Income Tax expenses	4,04,608	7,05,520

(iii) Significant components of net deferred tax assets and liabilities for the year ended on 31st March, 2020 is as follows:

	Opening Balance	Recognised/ reversed through Profit and Loss	Recognised/ reversed in other comprehensive income	Closing Balance
Deferred Tax (Assets)/Liabilities in relation to:				
- Depreciation on Property, Plant and Equipment	3,54,432	(20,476)	-	3,33,956
- Equity Instruments measured at Fair Value	56,02,341	-	4,99,647	61,01,988
- Income Tax Base of Equity Instruments	(2,24,364)	(84,805)	-	(3,09,169)
- Employee Benefits- Gratuity	-	(20,625)	-	(20,625)
- Unabsorbed Losses	(6,22,449)	5,22,857	-	(99,592)
Net Deferred Tax (Assets)/Liabilities	51,09,960	3,96,951	4,99,647	60,06,558



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Significant components of net deferred tax assets and liabilities for the year ended on 31st March, 2019 is as follows:

	Opening Balance	Recognised/ reversed through Profit and Loss	Recognised/ reversed in other comprehensive income	Closing Balance
Deferred Tax (Assets)/Liabilities in relation to:				
- Depreciation on Property, Plant and Equipment	3,71,142	(16,710)	-	3,54,432
- Equity Instruments measured at Fair Value	47,25,468	-	8,76,873	56,02,341
- Income Tax Base of Equity Instruments	(2,09,090)	(15,274)	-	(2,24,364)
- Employee Benefits- Gratuity	-	-	-	-
- Unabsorbed Losses	(6,16,464)	(5,985)	-	(6,22,449)
Net Deferred Tax (Assets)/Liabilities	42,71,056	(37,969)	8,76,873	51,09,960

11 EARNINGS PER SHARE

The earning per share has been calculated as specified in Ind-AS-33 on "Earnings Per Share" prescribed by Companies (Accounting Standards) Rules, 2015 and related disclosures are as below:

For Calculating Basic & Diluted earnings per share

	2019-2020 ₹	2018-2019 ₹
a) Profits attributable to Equity holders of the Company	33,08,114	56,90,624
b) Weighted Average number of equity shares used as a denominator in calculating EPS (Nos.)	2820000	2820000
c) Basic & Diluted EPS (a/b)	1.17	2.02

12 FINANCIAL INSTRUMENTS

12.1 Financial Instruments by category

The carrying value of financial instruments by categories as on 31st March, 2020 are as follows:

(₹ in Lacs)						
Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amortised Cost	Total carrying value	Total Fair Value
Financial Assets						
Cash & Cash Equivalents	4.1	-	-	97.22	97.22	97.22
Trade Receivables	4.2.1	-	-	20.76	20.76	20.76
Other Receivables	4.2.2	-	-	43.38	43.38	43.38
Loans	4.3	-	-	403.00	403.00	403.00
Investments						
- Equity Instruments	4.4	-	359.44	-	359.44	359.44
Other financial assets	4.5	-	-	0.13	0.13	0.13
Total Financial Assets		-	359.44	564.49	923.93	923.93



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

(₹ in Lacs)

Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amortised Cost	Total carrying value	Total Fair Value
Financial Liabilities						
Trade Payables	6	-	-	3.95	3.95	3.95
Lease Liability	6.1	-	-	2.44	2.44	2.44
Other financial liabilities	6.2	-	-	2.80	2.80	2.80
Total Financial Liabilities		-	-	9.19	9.19	9.19

The carrying value of financial instruments by categories as on 31st March, 2019 are as follows:

(₹ in Lacs)

Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amortised Cost	Total carrying value	Total Fair Value
Financial Assets						
Cash & Cash Equivalents	4.1	-	-	116.78	116.78	116.78
Trade Receivables	4.2.1	-	-	13.75	13.75	13.75
Other Receivables	4.2.2	-	-	42.15	42.15	42.15
Loans	4.3	-	-	400.00	400.00	400.00
Investments						
- Equity Instruments	4.4	-	298.86	-	298.86	298.86
Other financial assets	4.5	-	-	0.13	0.13	0.13
Total Financial Assets		-	298.86	572.81	871.67	871.67
Financial Liabilities						
Trade Payables	6	-	-	0.07	0.07	0.07
Lease Liability	6.1	-	-	-	-	-
Other financial liabilities	6.2	-	-	0.24	0.24	0.24
Total Financial Liabilities		-	-	0.31	0.31	0.31



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

The carrying value of financial instruments by categories as on 1st April, 2018 are as follows:

						(₹ in Lacs)
Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amortised Cost	Total carrying value	Total Fair Value
Financial Assets						
Cash & Cash Equivalents	4.1	-	-	101.41	101.41	101.41
Trade Receivables	4.2.1	-	-	8.91	8.91	8.91
Other Receivables	4.2.2	-	-	42.19	42.19	42.19
Loans	4.3	-	-	387.80	387.80	387.80
Investments						
- Equity Instruments	4.4	-	263.90	-	263.90	263.90
Other financial assets	4.5	-	-	0.13	0.13	0.13
Total Financial Assets		-	263.90	540.44	804.34	804.34
Financial Liabilities						
Trade Payables	6	-	-	0.71	0.71	0.71
Lease Liability	6.1	-	-	-	-	-
Other financial liabilities	6.2	-	-	0.35	0.35	0.35
Total Financial Liabilities		-	-	1.06	1.06	1.06

Management estimations and assumptions

- The management assessed that cash and cash equivalents and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:
 - The fair values of the quoted shares are based on price quotations at the reporting date.
 - The fair values of the unquoted equity shares have been determined based on last audited financial statements and have used Net Asset Value approach for determining the fair values.

12.2 Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

						(₹ in Lacs)
Particulars	Note Reference	Fair value measurement at end of the reporting period/year using				Total
		Level 1	Level 2	Level 3		
As on 31st March, 2020						
Financial Assets						
Equity Instruments	4.4	49.97	-	309.47		359.44
As on 31st March, 2019						
Financial Assets						
Equity Instruments	4.4	15.77	-	283.09		298.86
As on 31st March, 2018						
Financial Assets						
Equity Instruments	4.4	23.00	-	240.90		263.90



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Level 1 : Quoted Prices in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company's policy is to recognize transfers into and the transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 during the end of the reported periods.

12.3 Financial Risk Management

The Company's activities expose it to various financial risks: market risk, credit risk and liquidity risk. The company tries to foresee the unpredictable nature of financial markets and seek to minimise potential adverse impact on its financial performance. The senior management of the company oversees the management of these risks. The management has additional oversight in the area of financial risks and controls. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

13 SEGMENT INFORMATION

In accordance with Indian Accounting Standard 108 "Operating Segments" prescribed by Companies (Accounting Standards) Rules, 2015, the company's operations mainly consist of Finance & Generation of Electricity through Wind Power Mill. Therefore, the segment revenue, segment results, segment assets, segment liabilities is stated as below:

(₹ in Lacs)			
Sl. No.	Particulars	For the year 2019-2020	For the year 2018-2019
1	Segment Revenue (Net Sales/Income for Operation)		
	a) Segment- Finance Business	48.44	46.85
	b) Segment- Electricity Generation	10.13	12.38
	Total	58.57	59.23
	Less: Inter Segment Revenue	-	-
	Net Sale/Income From Operation	58.57	59.23
2	Segment Results [Profit/(Loss) before tax and Finance Cost from each segment]		
	a) Segment- Finance Business	37.77	36.26
	b) Segment- Electricity Generation	0.09	4.02
	Total	37.86	40.28
	Less: i) Finance Cost	0.17	-
	ii) Other Unallocable expenditure net unallocable income	10.72	8.40
	Total Profit Before Tax	26.97	31.88



J. J. FINANCE CORPORATION LIMITED

37TH ANNUAL REPORT 2019-20

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

(₹ in Lacs)

Sl. No.	Particulars	As at 31.03.2020	As at 31.03.2019
3	Segment Assets		
	a) Segment- Finance Business	805.81	741.00
	b) Segment- Electricity Generation	33.23	26.21
	c) Unallocable	123.61	143.46
	Total	962.65	910.67
4	Segment Liabilities		
	a) Segment- Finance Business	0.03	-
	b) Segment- Electricity Generation	4.00	0.07
	c) Unallocable	67.40	52.44
	Total	71.43	52.51
5	Capital Employed (Segment Assets- Segment Liabilities)		
	a) Segment- Finance Business	805.78	741.00
	b) Segment- Electricity Generation	29.23	26.14
	c) Unallocable	56.21	91.02
	Total	891.22	858.16

14 RELATED PARTY TRANSACTIONS

Related parties and transactions with them as specified in the Ind-AS 24 on “Related Parties Disclosures” prescribed under Companies (Accounting Standards) Rules, 2015 has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

a)	Related Parties
	Particulars
(i)	Enterprises where control exists Nil
(ii)	Associates & Joint Ventures Nil
(iii)	Individual owning an interest in the voting power of the company and their relatives Nil
(iv)	Key Management Personnel and their relatives
	Anil Jhunjhunwala Director
	Rabi Kumar Almal Chief Executive Officer
	Hriday Mondal Chief Financial Officer
	Anujit Singh Company Secretary
	Ankita Nigam Company Secretary (resigned w.e.f 17.09.2019)
(v)	Enterprises over which any person referred in (iii) or (iv) is able to exercise significant influence J.J Automotive Limited KPJ Estates Pvt Limited



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

Nature of Transactions	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Associates, Joint ventures and Enterprises over which Key Managerial Person and their relatives are able to exercise significant influence ₹	Key Management Personnel and Individuals owning an interest in the voting power and their relatives ₹	Associates, Joint ventures and Enterprises over which Key Managerial Person and their relatives are able to exercise significant influence ₹	Key Management Personnel and Individuals owning an interest in the voting power and their relatives ₹
Income				
Interest on Loan	48,18,979	-	46,83,633	-
Expense				
Salary and other allowances	-	8,44,584	-	8,68,816
Lease Expenses	1,12,175	-	-	-
Balance at Year End				
Amount Receivable				
- Loan	4,03,00,000	-	4,00,00,000	-
- Interest Receivables	43,37,084		42,15,277	
Amount Payable				
- Salary Payable	-	2,170	-	-
- Lease Expenses Payable	1,06,200	-	-	-

15 Particulars as required in terms of Paragraph 13 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 is as per annexure.

16 The Company has not received any memorandum as required to be filed by the suppliers with the notified authority 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, 2020. Therefore, there are no dues outstanding to Micro, Small and Medium Enterprises (Previous Year: Nil).

17

Lease :		
i)	The Company Leased Asset primarily consist of right to use the Office Premises. The Company adopted Ind AS 116 "Leases" for accounting lease asset and lease liability regarding the right to use the Office Premises. Consequently, the Company recorded the lease liability at the present value of total remaining lease payments discounted at the incremental borrowing rate as on the date of commencement of lease and has measured right to use asset at an amount equal to lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.	
ii)	Following is carrying value of right of use assets recognised and the movements thereof during the year ended March 31, 2020:	
	Particulars	Right to Use Office Premises
	Balance as at April 1, 2019	Total
	Additions during the year	3,16,827
	Amortisation charged on the right to use asset	79,207
	Balance as at March 31, 2020	2,37,620

**J. J. FINANCE CORPORATION LIMITED**

37TH ANNUAL REPORT 2019-20

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)

iii)	Following is carrying value of lease liability recognised and the movements thereof during the year ended March 31, 2020:		
	Particulars	Lease Liability	Total
	Balance as at April 1, 2019		
	Additions during the year	3,16,827	3,16,827
	Amortisation charged on the right to use asset	73,232	73,232
	Balance as at March 31, 2020	2,43,595	2,43,595
iv)	The Lease liability will be matured within 36 months from the date of commencement of lease.		
v)	Interest on lease liabilities is ₹ 16,768/- for the year ended March 31, 2020.		
vi)	The incremental borrowing rate applied for lease liabilities is 9% per annum.		
vii)	The company does not face any significant liquidity risk with regard to its leased liabilities as the financial assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.		

18 The outbreak of Corona Virus Disease (COVID-19) have severely impacted and triggered significant disruptions to businesses worldwide, leading to an economic slowdown. Significant disruptions primarily includes decline in market value of investments, unavailability of personnel, closure of offices/facilities, etc. The company has to the best of its abilities considered impact of COVID-19 while preparing these financial statements and accordingly reviewed the following possible effects:

- there is no material uncertainty on the ability of the company to continue as a going concern,
- there is no material adjustment required to be done in the carrying amounts of the assets and liabilities as on March 31, 2020.
- there is no material event/circumstance happened due to COVID-19 as on the date of approval of these financial statements that require specific adjustments/disclosures in these financial statements. However, the company shall continue to closely monitor any material changes arising of future economic conditions and its impact on the business.

19 On the basis of physical verification of assets, as specified in Ind-AS - 36 and cash generation capacity of these assets, in the management's perception, there is no impairment of such assets as appearing in the balance sheet as on 31.03.2020.

- 20** a) Previous year figures above are given in brackets
b) Previous year figure have been regrouped/ rearranged, wherever found necessary

In terms of our report of even date attached herewith.

For A.K Dubey & Co.

Chartered Accountants

Firm Registration No. 329518E

CA Arun Kumar Dubey

Partner

Mem. No. 057141

Place : Kolkata

Date : 27th July, 2020

For and on behalf of the Board of Directors

Shyam Bagaria
(Director)

DIN : 00121949

Anil Jhunhunwala
(Director)

DIN : 00128717

Hriday Mondal
(Chief Financial Officer)

Rabi Kumar Almal
(Chief Executive Officer)

Anujit Singh
(Company Secretary)
Mem. No. : A55516



Schedule to the Balance Sheet as on 31st March, 2020 of a non-deposit taking non-banking financial company
[as required in terms of Paragraph 13 of Non-Systemically Important Non-Banking Companies Prudential
Financial (Non-Deposit Accepting or Holding) Norms (Reserve Bank) Directions, 2015]

(₹ 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		
	Total	—	—

Amount outstanding

(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
a)	Secured	Nil
b)	Unsecured	485.09
	Total	485.09

(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities :	
i)	Lease assets including lease rentals under sundry debtors :	
a)	Financial lease	Nil
b)	Operating lease	Nil
ii)	Stock on hire including hire charges under sundry debtors :	
a)	Assets on hire	Nil
b)	Repossessed Assets	Nil
iii)	Other loans counting towards AFC activities :	
a)	Loans where assets have been repossessed	Nil
b)	Loans other than (a) above	Nil
	Total	Nil

(4)	Break-up of Investments :	
	<u>Current Investments :</u>	
1.	<u>Quoted :</u>	
	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

37TH ANNUAL REPORT 2019-20

2. <u>Unquoted :</u>	<u>Amount outstanding</u>
i) Shares : a) Equity	Nil
b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others (please specify)	Nil

Long Term Investments :

1. <u>Quoted :</u>	
i) Shares : a) Equity	49.97
b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others (please specify)	Nil
2. <u>Unquoted :</u>	
i) Shares : a) Equity	309.47
b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others (please specify)	Nil

Total

359.44

(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	446.37	446.37
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	38.72	38.72
Total	Nil	485.09	485.09



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

Please see Note 3 below :

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
a) Subsidiaries	Nil	Nil
b) Companies in the same group	303.49	303.49
c) Other related parties	Nil	Nil
2. Other than related parties	55.95	55.95
Total	359.44	359.44

* 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, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company – Non-Systemically Important Non-Banking Companies Prudential Financial (Non-Deposit Accepting or Holding) Norms (Reserve Bank) Directions, 2015
- Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 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.

In terms of our report of even date attached herewith.

For A.K Dubey & Co.

Chartered Accountants

Firm Registration No. 329518E

CA Arun Kumar Dubey

Partner

Mem. No. 057141

Place : Kolkata

Date : 27th July, 2020

For and on behalf of the Board of Directors

Shyam Bagaria
(Director)

DIN : 00121949

Anil Jhunjunwala
(Director)

DIN : 00128717

Hriday Mondal
(Chief Financial Officer)

Rabi Kumar Almal
(Chief Executive Officer)

Anujit Singh
(Company Secretary)
Mem. No. : A55516

