



35th

ANNUAL REPORT

2017-2018

J. J. FINANCE CORPORATION LIMITED



J. J. FINANCE CORPORATION LIMITED

35th Annual Report 2017-18

BOARD OF DIRECTORS :

Mr. Anil Jhunjunwala, Director
Mr. Shyam Bagaria, Director
Mr. Rajesh Kumar Poddar, Director
Mr. Brajesh Kumar Dhandhania, Independent Director
Mrs. Hilla Eruch Bhatena, Independent Woman Director

MANAGEMENT PERSONNEL :

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

COMPANY SECRETARY :

Ms. Ankita Nigam

REGISTERED OFFICE :

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

STATUTORY AUDITOR :

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

INTERNAL AUDITOR :

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

SECRETARIAL AUDITOR :

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

LEGAL ADVISORS :

R. L. Gaggar & Co.

BANKER :

Indian Overseas Bank

SHARE TRANSFER AGENT :

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

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Annual General Meeting

Date : 17th September, 2018 at 05:00 p.m.

Venue : At Registered Office



DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL RESULTS

Particulars	₹ in thousand's	
	For the year ended 31st March	
	2018	2017
Profit before Depreciation and Tax	9403	4090
Less : Depreciation	83	98
Profit before Tax :	9320	3992
Current Tax	1800	765
Deferred Tax	(83)	(44)
Income Tax for earlier year	7	-
Profit after Tax	7596	3271
Add : Balance brought forward from last year	17910	15314
Less : Transferred to Reserve U/s 45-IC of RBI Act, 1934	1520	655
Provision towards Standard Assets	59	20
Balance carried forward	23927	17910

SUMMARY OF OPERATIONS

During the year, the net revenue from operations of your Company increased by 86.07 %, from ₹ 62.67 Lakh to ₹ 116.61 Lakh. For FY 2017 – 18, your Company's profit after tax stood at ₹ 75.96 Lakh vis-à-vis ₹ 32.71 Lakh in the previous year.

SHARE CAPITAL

During the year, the Company did not allot any shares nor did grant any stock options or sweat equity. As on March 31, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

As on 31st March, 2018, the issued, subscribed and paid up share capital of your Company stood at ₹ 2.82 crore, comprising 28.2 lakh equity shares of ₹ 10/- each.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

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

DIVIDEND AND RESERVES

In order to consolidate the position of the Company, Directors do not recommend any Dividend for the year ended 31st March, 2018. During the year, your Company transferred a sum of ₹ 15.20 lakh to Special Reserve as per Section 45-IC of RBI Act, 1934.

PUBLIC DEPOSITS

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



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

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

EXTRACT OF ANNUAL RETURN

Pursuant to section 92 (3) of the Companies Act, 2013 ('the Act') and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form No. MGT - 9 is enclosed as **Annexure 1**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

BOARD MEETINGS

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

In the financial year 2017-18, the Board met nine times. The meetings were held on 21st April, 2017, 29th May, 2017, 22nd July, 2017, 14th August, 2017, 16th September, 2017, 06th October, 2017, 07th November, 2017, 06th February, 2018 and 02nd March, 2018. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMMITTEES OF BOARD

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

a. Audit Committee

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

During the year, the Committee had met five times on 29th May, 2017, 22nd July, 2017, 14th August, 2017, 07th November, 2017 and 06th February, 2018.

b. Nomination & Remuneration Committee

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

During the year, the Committee had met twice on 29th May, 2017 and 06th October, 2017.

c. Stakeholders Relationship Committee

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

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



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

MEETING OF INDEPENDENT DIRECTORS

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

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

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

Types of Meeting	Date of Meeting	Names of Directors' / Members Present
Board Meetings	21.04.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	29.05.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	22.07.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	14.08.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	16.09.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	06.10.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	07.11.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	06.02.2018	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
	02.03.2018	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
Audit Committee Meetings	29.05.2017	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanian.
	22.07.2017	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanian.
	14.08.2017	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanian.
	07.11.2017	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanian.
	06.02.2018	Mr. Anil Jhunjunwala, Mrs. Hilla Eruch Bhathena & Mr. Brajesh Kumar Dhandhanian.



Types of Meeting	Date of Meeting	Names of Directors' / Members Present
Annual General Meetings	15.09.2017	Mr. Anil Jhunjunwala, Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena, Mr. Rajesh Kumar Poddar & Mr. Shyam Bagaria.
Nomination & Remuneration Committee Meeting	29.05.2017	Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena & Mr. Rajesh Kumar Poddar.
	06.10.2017	Mr. Brajesh Kumar Dhandhanian, Mrs. Hilla Eruch Bhathena & Mr. Rajesh Kumar Poddar.
Stakeholder Relationship Committee Meetings	30.05.2017	Mr. Anil Jhunjunwala & Mr. Rabi Kumar Almal.
	20.07.2017	Mr. Anil Jhunjunwala & Mr. Rabi Kumar Almal.
	03.11.2017	Mr. Anil Jhunjunwala & Mr. Rabi Kumar Almal.
	05.02.2018	Mr. Anil Jhunjunwala & Mr. Rabi Kumar Almal.
Meeting of Independent Directors	27.11.2017	Mr. Brajesh Kumar Dhandhanian & Mrs. Hilla Eruch Bhathena.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

Ms. Ankita Nigam, Company Secretary and Compliance Officer of the Company, resigned w.e.f., 29th May, 2017 but was subsequently re-appointed in the Company in the same capacity w.e.f., 06th October, 2017. There were no other changes in the Key Managerial Personnel of the Company during the year.

Directors/KMP'S as on 01.04.2017	Resignation/Retirement during the year	Appointments during the year	Directors/KMP'S as on 31.03.2018
Mr. Anil Jhunjunwala	–	–	Mr. Anil Jhunjunwala
Mr. Rajesh Kumar Poddar	–	–	Mr. Rajesh Kumar Poddar
Mr. Shyam Bagaria	–	–	Mr. Shyam Bagaria
Mr. Brajesh Kumar Dhandhanian	–	–	Mr. Brajesh Kumar Dhandhanian
Mrs. Hilla Eruch Bhathena	–	–	Mrs. Hilla Eruch Bhathena
Mr. Rabi Kumar Almal (CEO)	–	–	Mr. Rabi Kumar Almal (CEO)
Ms. Ankita Nigam (CS)	29.05.2017	06.10.2017	Ms. Ankita Nigam (CS)
Mr. Hriday Mondal (CFO)	–	–	Mr. Hriday Mondal (CFO)



DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Brajesh Kumar Dhandhanian and Mrs. Hilla Eruch Bhatena are Independent Directors on the Board of your Company. These Non-Executive Independent Directors have given declaration to the company stating that they fulfill the conditions of Independence specified in Section 149(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 21st April, 2017. A format of letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and disclosed on the website of the Company at <http://www.jjfc.co.in>.

VIGIL MECHANISM

Pursuant to the requirement of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a vigil mechanism policy to report genuine concerns or grievances. The Vigil Mechanism Policy has been posted on the website of the Company at <http://www.jjfc.co.in>.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of all Committees of the Board for the Financial Year 2017-18. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.



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 3**.

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, 2018 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.

INTERNAL FINANCIAL CONTROLS

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

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

The Report given by the Statutory Auditors on the financial statements of the Company for the financial year 2017-18, forms a part of the Annual Report 2017-18. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Report that may call for any explanation from the Directors.

SECRETARIAL AUDITOR AND THEIR REPORT

In terms of Section 204 of the Act and Rules made there under, M/s. Corporate Advisors Law Professionals LLP, represented by Ms. Disha Dugar, Practicing Company Secretary, had been appointed Secretarial Auditor of the Company for the financial year 2017 - 18. The Secretarial Audit Report in Form MR-3, enclosed as **Annexure 4** 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 Accounting Standard – 18 are given in the notes to the Financial Statements.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

RISK MANAGEMENT POLICY

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

CORPORATE GOVERNANCE

Since the paid up share capital of your Company and its net-worth was below the prescribed limits under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Corporate Governance is not applicable on the Company in the financial year 2017-2018.

CORPORATE SOCIAL RESPONSIBILITY

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

DISCLOSURE PURSUANT TO LISTING REGULATIONS

Necessary disclosures pursuant to Listing Regulations are made hereunder:-

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

Name and Address of the Stock Exchange	Security Listed
1. The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700 001	Equity Shares
2. The Bombay Stock Exchange Ltd 25th Floor, P. J. Towers Dalal Street, Fort, Mumbai – 400 001	Equity Shares

The Listing fees to The Calcutta Stock Exchange Ltd. and BSE Limited for the Financial Year 2018 – 19 have been paid.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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



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

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

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

The Company has zero tolerance for sexual harassment at workplace. During the Financial Year 2017-18, no complaints of sexual harassment were reported.

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board

ANIL JHUNJHUNWALA

Director

DIN : 00128717

SHYAM BAGARIA

Director

DIN : 00121949

Place : Kolkata

Dated : 30th July, 2018

**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, 2018 and that to the best of our knowledge and belief:

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

For J. J. Finance Corporation Limited

RABI KUMAR ALMAL

Chief Executive Officer

HRIDAY MONDAL

Chief Financial Officer

Place : Kolkata

Dated : 30th July, 2018

DECLARATION UNDER REGULATION 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, 2018.

For J. J. Finance Corporation Limited

RABI KUMAR ALMAL

Chief Executive Officer

Place : Kolkata

Dated : 30th July, 2018



FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

I. REGISTRATION AND OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Financial Income	6499*	88.77
2	Electricity Generation	3510*	11.23

* The NIC code of the Product or Service has been mentioned as per the Ministry of Statistics and Product Implementation.
Link :- udyogaadhaar.gov.in/UA/Document/nic_2008_17apr09.pdf

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

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



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

i) 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	583495	0	583495	20.691	594544	0	594544	21.083	0.392
	b) Central Government									
	c) State Government									
	d) Bodies Corporate	702329	0	702329	24.905	702329	0	702329	24.905	0.000
	e) Banks / Financial Institutions									
	f) Any Other									
	Sub-total (A)(1)	1285824	0	1285824	45.597	1296873	0	1296873	45.988	0.391
(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)	1285824	0	1285824	45.597	1296873	0	1296873	45.988	0.391
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



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Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	202416	341475	543891	19.287	193809	341475	535284	18.982	-0.305
	ii) Overseas									
	b. Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	92831	428346	521177	18.481	92373	426046	518419	18.384	-0.097
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	317966	150000	467966	16.595	317881	150000	467881	16.592	-0.003
	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	1016	0	1016	0.036	1417	0	1417	0.050	0.014
	5. Trusts									
	6. Foreign Bodies - D.R.									
	Sub-total (B)(2)	614255	919921	1534176	54.403	605506	917621	1523127	54.012	-0.391
	Total Public Shareholding (B) = (B)(1)+(B)(2)	614255	919921	1534176	54.403	605506	917621	1523127	54.012	-0.391
	C. Shares held by Custodian for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	1900079	919921	2820000	100.000	1902379	917621	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	45800	1.624	0.000	45800	1.624	0.000	0.000
2	ANIL JHUNJHUNWALA	134828	4.781	0.000	145877	5.173	0.000	0.392
3	ANITA KANOI	20100	0.713	0.000	20100	0.713	0.000	0.000
4	J. J. AUTOMOTIVE LTD.	27100	0.961	0.000	27100	0.961	0.000	0.000
5	J.J. PROJECTS PVT. LTD	549729	19.494	0.000	549729	19.494	0.000	0.000
6	K P JHUNJHUNWALA	139425	4.944	0.000	139425	4.944	0.000	0.000
7	K. P. JHUNJHUNWALA	50100	1.777	0.000	50100	1.777	0.000	0.000
8	KANAKLATA JHUNJHUNWALA	142000	5.035	0.000	142000	5.035	0.000	0.000
9	KOHINOOR STOCK BROKING PVT LTD	125500	4.450	0.000	125500	4.450	0.000	0.000
10	VEDIKA JHUNJHUNWALA	24292	0.861	0.000	24292	0.861	0.000	0.000
11	VIDHI BERI	26950	0.956	0.000	26950	0.956	0.000	0.000
	Total	1285824	45.597	0.000	1296873	45.988	0.000	0.392



iii) Change in Promoter's Shareholding

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	A. K. JHUNJHUNWALA				
	a) At the Beginning of the Year	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	134828	4.781		
	b) Changes during the year				
	Date	Reason			
	30/09/2017	Transfer	3814	0.135	138642 4.916
	06/10/2017	Transfer	1649	0.058	140291 4.975
	13/10/2017	Transfer	1207	0.043	141498 5.018
	27/10/2017	Transfer	124	0.004	141622 5.022
	12/01/2018	Transfer	389	0.014	142011 5.036
	26/01/2018	Transfer	100	0.004	142111 5.039
	23/03/2018	Transfer	1396	0.050	143507 5.089
	31/03/2018	Transfer	2370	0.084	145877 5.173
	c) At the End of the Year			145877	5.173
3	ANITA KANOI				
	a) At the Beginning of the Year	20100	0.713		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			20100	0.713
4	J. J. AUTOMOTIVE LTD.				
	a) At the Beginning of the Year	27100	0.961		
	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	549729	19.494		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			549729	19.494
6	K P JHUNJHUNWALA				
	a) At the Beginning of the Year	139425	4.944		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			139425	4.944



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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
7	K. P. JHUNJHUNWALA				
	a) At the Beginning of the Year	50100	1.777		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			50100	1.777
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
9	KOHINOOR STOCK BROKING PVT LTD				
	a) At the Beginning of the Year	125500	4.450		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			125500	4.450
10	VEDIKA JHUNJHUNWALA				
	a) At the Beginning of the Year	24292	0.861		
	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	1285824	45.597	1296873	45.988

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	ASHARAM SARDA				
	a) At the Beginning of the Year	245000	8.688		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	Date Reason				
	02/02/2018 Transfer	-245000	8.688	0	0.000
	c) At the End of the Year			0	0.000
2	ASHISH VINIMAY PVT. LTD.				
	a) At the Beginning of the Year	60000	2.128		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			60000	2.128



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	BAJAJ TRADE DEVELOPMENTS LTD				
	a) At the Beginning of the Year	50000	1.773		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			50000	1.773
4	BULA MODAK				
	a) At the Beginning of the Year	70000	2.482		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			70000	2.482
5	C D COMPUTERS PVT. LTD.				
	a) At the 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
6	MANORMA ALMAL				
	a) At the Beginning of the Year	26116	0.926		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			26116	0.926
7	NITIN FINVEST PRIVATE LIMITED				
	a) At the 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
8	PANNA DEVI SARDA				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	02/02/2018 Transfer	245000	8.688	245000	8.688
	c) At the End of the Year			245000	8.688
9	RESOURCE VINCOM PRIVATE LIMITED				
	a) At the Beginning of the Year	135350	4.800		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			135350	4.800
10	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
11	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
	TOTAL	867491	30.762	867491	30.762



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v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANIL JHUNJHUNWALA				
	a) At the Beginning of the Year	134828	4.781		
	b) Changes during the year				
	Date Reason				
	30/09/2017 Transfer	3814	0.135	138642	4.916
	06/10/2017 Transfer	1649	0.058	140291	4.975
	13/10/2017 Transfer	1207	0.043	141498	5.018
	27/10/2017 Transfer	124	0.004	141622	5.022
	12/01/2018 Transfer	389	0.014	142011	5.036
	26/01/2018 Transfer	100	0.004	142111	5.039
	23/03/2018 Transfer	1396	0.050	143507	5.089
	31/03/2018 Transfer	2370	0.084	145877	5.173
	c) At the End of the Year			145877	5.173
2	RABI KUMAR ALMAL				
	a) At the Beginning of the Year	23350	0.828		
	b) Changes during the year				
	Date Reason				
	12/01/2018 Transfer	-85	0.003	23265	0.825
	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	299103	10.606	310067	10.995

V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
i) Addition				
ii) Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

The Company has no Indebtedness during the year



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. Brajesh Kumar Dhandhanania	Mrs. Hilla Eruch Bhathena		
	– Fee for attending board committee meetings	–	–	–	–
	– Commission	–	–	–	–
	– Others, please specify	–	–	–	–
	Total (1)	–	–	–	–
2	Other Non-Executive Directors	Mr. Anil Jhunjunwala	Mr. Shyam Bagaria	Mr. Rajesh Kumar Poddar	
	– Fee for attending board committee meetings	–	–	–	–
	– Commission	–	–	–	–
	– Others, please specify	–	–	–	–
	Total (2)	–	–	–	–
	Total (B)=(1+2)	–	–	–	–
	Total Managerial Remuneration	–	–	–	–
	Overall Ceiling as per the Act				

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



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

Sl. No.	Particulars of Remuneration		Key Managerial Personnel			
			Mr. Rabi Kumar Almal (Chief Executive Officer)	Ms. Ankita Nigam (Company Secretary)	Mr. Hriday Mondal (Chief Financial Officer)	Total Amount
1	Gross Salary					
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	₹ 2,16,000	₹ 2,32,000	₹ 2,04,000	₹ 6,52,000
	(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c)	Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option		-	-	-	-
3	Sweat Equity		-	-	-	-
4	Commission		-	-	-	-
	– As % of profit		-	-	-	-
	– Others, specify.		-	-	-	-
5	Others, please specify		-	-	-	-
	TOTAL		₹ 2,16,000	₹ 2,32,000	₹ 2,04,000	₹ 6,52,000

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					
B. DIRECTORS					
C. OTHER OFFICERS IN DEFAULT					

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

For and on behalf of the Board

ANIL JHUNJHUNWALA

Director

DIN : 00128717

SHYAM BAGARIA

Director

DIN : 00121949

Place : Kolkata

Dated : 30th July, 2018



ANNEXURE 2

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

OPPORTUNITIES AND THREATS

OPPORTUNITIES

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

THREATS

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

SEGMENT –WISE PERFORMANCE

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

OUTLOOK

As the markets continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2018-19.



RISKS AND AREAS OF CONCERN

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE

During the year, the net revenue from operations of your Company increased by 86.07 %, from ₹ 62.67 Lakh to ₹ 116.61 Lakh. For FY 2017 – 18, your Company's profit after tax stood at ₹ 75.96 Lakh vis-à-vis ₹ 32.71 Lakh in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company always considers its human resources as a valuable asset and is committed towards their development for continuous growth. Focus on training to enhance the skill-sets of employees in line with the business and market requirements continued throughout the year and it confers recognition based on merit. The employee relations have continued to be harmonious throughout the year. The Company has three (3) permanent employees as on 31st March 2018.

CAUTIONARY STATEMENT

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

For and on behalf of the Board

ANIL JHUNJHUNWALA

SHYAM BAGARIA

Director

Director

DIN : 00128717

DIN : 00121949

Place : Kolkata

Dated : 30th July, 2018



FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

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

To,
The Members,
J. J. Finance Corporation Limited
3C, Park Plaza,
71, Park Street,
Kolkata- 700 016

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

Based on my verification of the J J Finance Corporation Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by J J Finance Corporation Limited (“the Company”) for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (iv) The Reserve Bank of India Act, 1934;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited (CSE), Bombay Stock Exchange Limited (BSE);



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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Kolkata

Date : 30.07.2018

Disha Dugar

Practicing Company Secretary

FCS No. 8128

C P No. : 10895



ANNEXURE 4

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** means
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. such other officer as may be prescribed.
- 2.5. **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including the personnel holding designation of General Manager and above.

3. ROLE OF COMMITTEE

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

The Committee shall :



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

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

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

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

3.2.1. Appointment criteria and qualifications

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

3.2.2. Term / Tenure

- a) Managing Director/Whole-time Director:

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

- b) Independent Director:

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

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

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

3.2.3. Evaluation

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

**3.2.4. Removal**

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

3.2.5. Retirement

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

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**3.3.1. General :**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

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

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

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

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



b) **Sitting Fees:**

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

c) **Commission :**

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

d) **Stock Options :**

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

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum three (3) non-executive 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 meeting.



INDEPENDENT AUDITORS' REPORT

To the Members of J. J. Finance Corporation Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of J. J. Finance Corporation Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

OPINION

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



the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-'A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016;
 - e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company did not have any pending litigation which could impact its financial position in its financial statements;
 - ii) the Company did not have any long term contracts including derivation contracts for which there are any material foreseeable losses;
 - iii) there is no amount which were required to be transferred to the Investors Education and Protection Fund by the Company during the year.

For A. K. Dubey & Co.
Chartered Accountants
(Firm Reg. No. 329518E)

CA Arun Kumar Dubey
Partner
Mem. No. 057141

Place : Kolkata
Dated : 24th May, 2018



ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of J. J. Finance Corporation Ltd. (the Company) on the Standalone Financial Statements for the year ended 31 March 2018, we report that :

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
 - (c) According to information and explanations given to us, and on the basis of examination of records of the Company, we report that the title deeds of immovable properties are held in the name of the company.
- (ii) The Company did not have any inventory, and as such matters specified Para 3 (ii) is not applicable.
- (iii) The company has granted unsecured loan to a Company covered in the register maintained under section 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 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) As per information and explanation furnished to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan; hence Para 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed for reporting on the true & fair view of the financial statements and as per



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

- (xi) No managerial remuneration has been paid / provided by the Company during the year under review; hence, Para 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company; hence Para 3(xii) of the Order is not applicable.
- (xiii) Transaction(s) with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review; hence Para 3(xiv) of the Order is not applicable.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him; hence, Para 3(xv) of the Order is not applicable.
- (xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and registration has been obtained.

Place : Kolkata
Dated : 24th May, 2018

For A. K. Dubey & Co.
Chartered Accountants
(Firm Reg. No. 329518E)

CA Arun Kumar Dubey
Partner
Mem. No. 057141



ANNEXURE-B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of J. J. Finance Corporation Ltd. ('the Company') as of 31 March 2018 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors



of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata
Dated : 24th May, 2018

For A. K. Dubey & Co.
Chartered Accountants
(Firm Reg. No. 329518E)

CA Arun Kumar Dubey
Partner
Mem. No. 057141

**J. J. FINANCE CORPORATION LIMITED**

35TH ANNUAL REPORT 2017-18

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' fund :			
(a) Share Capital	3.1	2,82,00,000	2,82,00,000
(b) Reserves and Surplus	3.2	3,09,72,433	2,34,35,376
		5,91,72,433	5,16,35,376
(2) Non-Current Liabilities :			
(a) Deferred Tax Liabilities (Net)	3.3	3,71,142	4,53,644
(3) Current Liabilities :			
(a) Trade Payables	3.4		
(i) Dues of micro enterprises & small enterprises		-	-
(ii) Dues of other than micro enterprises & small enterprises		70,553	78,918
(b) Other Current Liabilities	3.5	35,859	19,402
(C) Short term provisions	3.6	1,18,631	1,11,228
		2,25,043	2,09,548
Total		5,97,68,618	5,22,98,568
II. ASSETS			
(1) Non Current Assets :			
(a) Fixed Assets			
Tangible Assets	3.7	14,75,454	15,58,131
(b) Non current Investment	3.8	24,19,770	1,63,51,618
(C) Long-term loans and advances	3.9	18,09,037	18,09,037
		57,04,261	1,97,18,786
(2) Current Assets :			
(a) Trade Receivable	3.10	8,91,021	11,91,207
(b) Cash and Bank Balances	3.11	1,01,41,363	1,20,98,635
(c) Short term loans and advances	3.12	3,87,79,527	1,64,00,000
(d) Other current assets	3.13	42,52,446	28,89,940
		5,40,64,357	3,25,79,782
Total		5,97,68,618	5,22,98,568
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3		

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

As per our report of even date attached

For A K Dubey & Co.

Chartered Accountants

(Firm Regn. No. 329518E)

For and on behalf of the Board of Directors

CA ARUN KUMAR DUBEY

Partner

(Mem. No. 057141)

ANIL JHUNJHUNWALA

Director

DIN : 00128717

SHYAM BAGARIA

Director

DIN : 00121949

Place : Kolkata

Date : 24th May, 2018

HRIDAY MONDAL

C.F.O.

ANKITA NIGAM

Company Secretary

Mem. No. A36293



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
I. Revenue :			
Revenue from Operations	3.14	1,16,61,297	62,67,306
Other Income		-	-
Total		1,16,61,297	62,67,306
II Expenses :			
Changes in inventories of Stock-in-trade	3.15	-	1,13,343
Employee benefits expense	3.16	6,59,955	6,84,600
Finance Cost		-	-
Depreciation and amortization expense	3.7	82,677	97,717
Other expense	3.17	15,97,965	13,79,386
Total		23,40,597	22,75,046
III. Profit before tax (I - II)		93,20,700	39,92,260
IV. Tax expense:			
(1) Current Tax		18,00,000	7,65,000
(2) Deferred Tax		(82,502)	(43,944)
(3) Income Tax for earlier year(s)		6,852	-
V. Profit/(Loss) for the year (III - IV)		75,96,350	32,71,204
VI. Earnings per equity share - Basic and Diluted (Face Value per share ₹ 10/-)		2.69	1.16
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3		

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

As per our report of even date attached
For **A K Dubey & Co.**
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of the Board of Directors

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

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 24th May, 2018

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary
Mem. No. A36293



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2017-2018		2016-2017	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITY				
Net Profit before Tax and Extraordinary items	93,20,700		39,92,260	
<i>Adjusted for :</i>				
Depreciation	82,677		97,717	
Operating Profit before Working Capital Changes	94,03,377		40,89,977	
<i>Adjusted for :</i>				
Trade and Other Receivables	(10,62,320)		(16,40,833)	
Trade and other Payables	8,092		33,407	
Direct Taxes paid (net of refund)	(18,58,742)		(7,08,762)	
Cash Flow before extraordinary items		64,90,407		17,73,789
Extraordinary Items		—		—
Cash Generated from Operating Activities		64,90,407		17,73,789
Net Cash from Operation		64,90,407		17,73,789
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Investment	1,39,31,848		63,51,014	
Net Cash used in Investing Activity		1,39,31,848		63,51,014



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

Particulars	2017-2018		2016-2017	
	₹	₹	₹	₹
C CASH FLOW FROM FINANCIAL ACTIVITIES				
Loans and Advances	(2,23,79,527)		(71,50,000)	
Net Cash used in Financing Activities		(2,23,79,527)		(71,50,000)
Net Increase in Cash and Cash Equivalents (A+B+C)		(19,57,272)		9,74,803
Opening Balance of Cash and Cash Equivalents		1,20,98,635		1,11,23,832
Closing Balance of Cash and Cash Equivalents		1,01,41,363		1,20,98,635

Notes :

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

ii) Figures in brackets represent outflow

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

a) Cash in Hand	45,203	45,203
b) Balances with Bank	1,00,96,160	1,20,53,432
Closing Balance of Cash and Cash Equivalents	1,01,41,363	1,20,98,635

As per our report of even date attached

For A K Dubey & Co.
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of the Board of Directors

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

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 24th May, 2018

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary
Mem. No. A36293



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

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

2.2 USE OF ESTIMATES

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

2.3 TANGIBLE FIXED ASSETS

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

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

2.4 DEPRECIATION ON TANGIBLE FIXED ASSETS

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



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

2.5 INVESTMENT

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

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

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

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

2.6 INVENTORIES

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

2.7 INCOME & EXPENDITURE RECOGNITION

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

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

2.8 RETIREMENT AND OTHER EMPLOYEE BENEFITS

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

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

2.9 TAXES ON INCOME

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

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



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

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

2.10 EARNINGS PER SHARE (EPS)

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

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

2.11 PROVISIONS

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

2.13 CASH AND CASH EQUIVALENTS

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



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

	As at 31.03.2018 ₹	As at 31.03.2017 ₹
3.1 SHARE CAPITAL		
(i) Authorised		
60,00,000 (P.Y. 60,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000
	60,000,000	60,000,000
(ii) Issued, Subscribed and Fully Paid-up		
28,20,000 (P.Y. 28,20,000) Equity Shares of ₹ 10 each	28,200,000	28,200,000
	28,200,000	28,200,000

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

	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹	No. of Shares	₹
Equity Shares				
Opening Balance	2820000	28,200,000	2820000	28,200,000
Add: Shares issued during the year	—	—	—	—
Closing Balance	2820000	28,200,000	2820000	28,200,000

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

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

(v) **The details of shareholders holding more than 5% as at 31.03.2018 and 31.03.2017**

Name of Share holders (Equity Shares of ₹ 10/- each fully paid up)	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	% held	No. of Shares	% held
Panna Devi Sarda	245000	8.69	—	—
Asharam Sarda	—	—	245000	8.69
Anil Jhunjunwala	145877	5.17	134794	4.78
J J Projects P Ltd	549729	19.49	549729	19.49
Kanaklata Jhunjunwala	142000	5.03	142000	5.03

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



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

	As at 31.03.2018		As at 31.03.2017	
	₹	₹	₹	₹
3.2 RESERVES AND SURPLUS				
(i) Special Reserve u/s 45-IC of RBI Act , 1934				
Opening Balance		55,25,000		48,70,000
Add: Transferred from Surplus in the Statement of Profit & Loss		15,20,000		6,55,000
Closing Balance		70,45,000		55,25,000
(ii) Surplus/(deficit) in the Statement of Profit & Loss				
Opening Balance		1,79,10,376		1,53,14,831
Add : Profit/(Loss) for the year		75,96,350		32,71,204
Less : Provision towards Standard Assets		59,293		20,659
Surplus available for Appropriations		2,54,47,433		1,85,65,376
Less : APPROPRIATION				
Transferred to Reserve u/s 45-IC of RBI Act, 1934		15,20,000		6,55,000
Closing Balance		2,39,27,433		1,79,10,376
Total		3,09,72,433		2,34,35,376
3.3 DEFERRED TAX LIABILITIES (NET)				
Depreciation and Amortisation		3,71,142		4,53,644
		3,71,142		4,53,644
3.4 TRADE PAYABLES				
(i) Dues of micro enterprises & small enterprises		—		—
(ii) Dues of other than micro enterprises & small enterprises		70,553		78,918
		70,553		78,918
3.5 OTHER CURRENT LIABILITIES				
Others		35,859		19,402
		35,859		19,402
3.6 SHORT TERM PROVISIONS				
Provision for Income Tax -				
Opening Balance		7,65,000		3,60,000
Less: Adjustment during the year		7,65,000		3,60,000
		—		—
Add: Provision for the year		18,00,000		7,65,000
		18,00,000		7,65,000
Less : Advance tax -				
Opening Balance		7,01,902		3,60,000
Less : Adjustment during the year		7,01,902		3,60,000
		—		—
Add: Paid during the year		17,88,792		7,01,902
		17,88,792		7,01,902
		11,208		63,098
Contingent provision against Standard Assets		1,07,423		48,130
		1,18,631		1,11,228

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

3.7 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.17	Addition	Sales	As at 31.03.2018	Upto 01.04.17	For the Year	Adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS										
Land (Freehold)	1,45,000	-	-	1,45,000	-	-	-	-	1,45,000	1,45,000
Plant and Machinery – Wind Mill	2,15,60,038	-	-	2,15,60,038	2,04,90,660	-	-	2,04,90,660	10,69,378	10,69,378
– Others	9,153	-	-	9,153	8,820	-	-	8,820	333	333
Office Equipments	4,69,484	-	-	4,69,484	4,52,662	-	-	4,52,662	16,822	16,822
Electrical Installation	35,414	-	-	35,414	35,413	-	-	35,413	1	1
Data Processing Machine	3,30,969	-	-	3,30,969	3,14,556	-	-	3,14,556	16,413	16,413
Vehicles	6,63,224	-	-	6,63,224	3,53,041	82,677	-	4,35,718	2,27,506	3,10,183
Furniture & Fixtures	5,50,906	-	-	5,50,906	5,50,905	-	-	5,50,905	1	1
Total	2,37,64,188	-	-	2,37,64,188	2,22,06,057	82,677	-	2,22,88,734	14,75,454	15,58,131
Previous Year	2,37,64,188	-	-	2,37,64,188	2,21,08,340	97,717	-	2,22,06,057	15,58,131	-





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

Particulars	Face Value	As at 31.03.2018		As at 31.03.2017	
		Units	₹	Units	₹
3.8 NON-CURRENT INVESTMENT					
(At Cost - Other than Trade - Long Term)					
i) Equity Instrument-Quoted Shares (Fully paid up)					
Wopolin Plastics Ltd.	10	6,000	3,00,000	6,000	3,00,000
– (Formerly : Bajaj Plastics Ltd.)					
Ceeta Industries Ltd.	10	1,000	19,028	1,000	19,028
Indian Hotels Ltd.	1	–	–	3,000	3,25,273
Ambuja Cements Ltd.	2	–	–	2,000	47,311
Thanjavur Textiles Ltd.	10	1,000	1,85,925	1,000	1,85,925
J.J. Automotive Ltd.	10	17,900	1,77,821	17,900	1,77,821
Pradeep Drugs Co. Ltd.	10	1,050	14,665	1,050	14,665
Recron Synthetics Ltd.	2	500	13,843	500	13,843
(Formely Raymond Synthetics Ltd.)					
Nageswar Investment Ltd.	10	30,000	1,74,100	30,000	1,74,100
Navcom Oil Products Ltd.	10	500	22,330	500	22,330
Bajaj Auto Ltd	10	–	–	100	1,54,739
Bajaj Holdings	10	200	1,83,416	200	1,83,416
Reliance Industries Ltd	10	–	–	100	1,04,525
Tata Motors Ltd.	2	1,000	1,71,300	1,000	1,71,300
Unitech Ltd	2	1,500	7,395	1,500	7,395
			12,69,823		19,01,671
ii) Equity Instrument-Un-Quoted Shares (Fully paid up)					
J J Projects (P) Ltd.	10	1,43,153	6,20,947	1,43,153	6,20,947
Pinnacle Leasing & Finance (P) Ltd.	10	1,400	14,000	1,400	14,000
Kohinoor Stockbroking (P) Ltd.	10	10,000	1,00,000	10,000	1,00,000
Chitrakoot Properties Ltd.	10	4,500	3,15,000	4,500	3,15,000
KPJ Estates Pvt. Ltd.	10	10,000	1,00,000	10,000	1,00,000
			11,49,947		11,49,947
iii) Preference Share-Instrument-Un-Quoted (Fully paid up)					
J J Automotive Limited	10	–	–	13,00,000	1,33,00,000
(6% Non-Cumulative Redeemable Preference Share)					
Total			24,19,770		1,63,51,618
a) Aggregate Value of Quoted Investment (i + ii)			12,69,823		19,01,671
b) Aggregate Value of Unquoted Investment (iii + iv)			11,49,947		1,44,49,947
			24,19,770		1,63,51,618
c) Market value of Quoted Investment			23,00,278		35,69,958



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

	As at 31.03.2018		As at 31.03.2017	
	₹	₹	₹	₹
3.9 LONG TERM LOAN & ADVANCES				
Security Deposit		13,236		13,236
Advance for booking of Flat		17,95,801		17,95,801
		<u>18,09,037</u>		<u>18,09,037</u>
3.10 TRADE RECEIVABLES				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from due date		7,57,969		9,84,444
Others		1,33,052		2,06,763
		<u>8,91,021</u>		<u>11,91,207</u>
3.11 CASH AND BANK BALANCE				
<u>Cash and Cash Equivalents</u>				
Balance with Bank - In current account		1,00,96,160		1,20,53,432
Cash in hand		45,203		45,203
		<u>1,01,41,363</u>		<u>1,20,98,635</u>
3.12 SHORT TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
<u>Advances recoverable in cash or kind</u>				
Loan and advances to related parties		3,87,50,000		1,64,00,000
Others		29,527		-
		<u>3,87,79,527</u>		<u>1,64,00,000</u>
3.13 OTHER CURRENT ASSETS				
Interest Receivable		42,19,100		28,52,119
Prepaid Expenses		33,346		37,821
		<u>42,52,446</u>		<u>28,89,940</u>

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

	31.03.2018 ₹	31.03.2017 ₹
3.14 REVENUE FROM OPERATIONS:		
(i) Operating Revenue		
Sales Of Share	–	2,72,596
Interest Income	46,87,892	31,69,021
Profit on Sale of Investment	56,46,429	14,53,684
	<u>1,03,34,321</u>	<u>48,95,301</u>
(ii) Other Operating Revenue		
Dividend Income	17,850	10,519
Electricity Generation	13,09,126	13,60,426
Excess Liability Written Back	–	1,060
	<u>13,26,976</u>	<u>13,72,005</u>
Total	<u>1,16,61,297</u>	<u>62,67,306</u>
3.15 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Finished Goods		
Opening Stock	–	7,34,718
Less: Closing stock	–	–
	–	7,34,718
Less: Trf. to Non Current Investment	–	6,21,375
	–	<u>1,13,343</u>
3.16 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	6,59,955	6,84,600
	<u>6,59,955</u>	<u>6,84,600</u>
3.17 OTHER EXPENSES		
Advertisement & Publicity	14,074	10,943
Bank Charges	2,498	852
Postage & Telegram	84,491	78,971
Conveyance expenses	3,096	320
Insurance	88,665	98,374
Listing Fees	3,16,903	2,41,023
Membership Fees	31,450	38,205
Auditors' Remuneration :		
– For Statutory Audit	18,000	11,500
– For Other services	25,870	18,425
Printing and stationery	40,472	33,980
Professional Fees	46,902	51,688
Repairs and Maintenance (Others)	7,648	7,443
Repairs to plant and machinery (Wind Power)	8,10,181	7,40,598
Telephone Charges	13,174	15,839
Travelling Expenses	33,481	–
Miscellaneous Expenses	61,060	31,225
	<u>15,97,965</u>	<u>13,79,386</u>



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

3.18 ADDITIONAL NOTES

The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under regarding registration under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small or medium enterprises as at 31st March, 2018. Therefore, there are no dues outstanding to Micro, Small and Medium Enterprises (Previous year Nil).

3.19 SEGMENT REPORTING

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

(₹ in Lakh)

Sl. No.	Particulars	31.03.2018	31.03.2017
1	<u>Segment Revenue</u>		
	i) Finance Business	103.52	49.07
	ii) Electricity Generation	13.09	13.60
	Net Sales/Income from Operations	116.61	62.67
2	<u>Segment Results</u>		
	Profit before Tax & Interest from each segment		
	i) Finance Business	89.00	34.56
	ii) Electricity Generation	4.21	5.36
	Profit before Tax	93.21	39.92
3	<u>Capital Employed (Segment Assets Less Segment Liabilities)</u>		
	i) Finance Business	575.09	497.63
	ii) Electricity Generation	20.35	23.26
	Total	595.44	520.89

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

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

I) Key Management Personnel :

Mr. Anil Jhunhunwala

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

J.J. Automotive Ltd.



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

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

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

(₹ in Lakh)

Loan Given	Principal	Interest	Total
Opening Balance	164.00	28.52	192.52
Addition/Accrued during the year	341.50	42.19	383.69
Refund/Repaid during the year	118.00	28.52	146.52
Closing Balance	387.50	42.19	429.69

3.21 BASIC AND DILUTED EARNING PER SHARE

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

Particulars	31.03.2018	31.03.2017
a) Net Profit after Tax(₹) available for Equity Shares of ₹ 10/- each	75,96,350	32,71,204
b) Number of Equity Shares of ₹ 10/- each	2820000	2820000
c) Basic and Diluted Earning Per Share (a/b) (in ₹)	2.69	1.16

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

3.23 Financial figures have been rounded off to nearest rupees.

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

SIGNATURE TO NOTE

As per our report of even date attached

For **A K Dubey & Co.**
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of the Board of Directors

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

ANIL JHUNJHUNWALA
Director
DIN : 00128717

SHYAM BAGARIA
Director
DIN : 00121949

Place : Kolkata
Date : 24th May, 2018

HRIDAY MONDAL
C.F.O.

ANKITA NIGAM
Company Secretary
Mem. No. A36293



ANNEXURE 'A' TO NOTE 3.24

Schedule to the Balance Sheet as on 31st March 2018 of a non-deposit taking Non-Banking Financial Company
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007)

Liabilities side :

(₹ in lakh)

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

Assets side :

Amount outstanding

(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
a) Secured	Nil
b) Unsecured	457.32
Total	<u>457.32</u>
(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	<u>Nil</u>
(4) Break-up of Investments :	
<u>Current Investments :</u>	
<u>1. 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



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

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

Please see Note 2 below :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **	Nil	429.69	429.69
a) Subsidiaries	Nil	Nil	Nil
b) Companies in the same group	Nil	Nil	Nil
c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	27.63	27.63
Total	Nil	457.32	457.32



(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	11.23	9.99
c) Other related parties	Nil	Nil
2. Other than related parties	23.27	14.21
Total	34.50	24.20

* 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 (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

For A K Dubey & Co.
Chartered Accountants
(Firm Regn. No. 329518E)

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

Place : Kolkata
Date : 24th May, 2018

For and on behalf of the Board of Directors

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