

JFC FINANCE (INDIA) LIMITED

Registered Office:

P-32, Lower Ground Floor,

South Extension, Part-II,

New Delhi-110049

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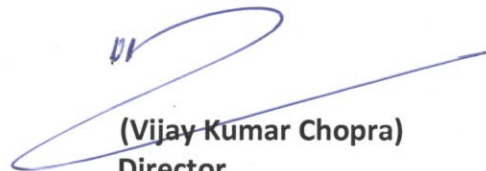
NOTICE

Notice is hereby given that the 26th Annual General Meeting of Members of **M/s JFC FINANCE (INDIA) LIMITED** will be held on Tuesday, 30th November, 2021, at 4:00 P.M. at the registered office of the Company, P-32, Lower Ground Floor, South Extension Part-II, New Delhi 110049 to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Standalone and Consolidated Audited Financial Statement of the Company for the financial year ended on 31st March, 2021 and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Kumar Chopra, who retires by rotation and being eligible offers himself for re-appointment.

For and on behalf of the Board of Directors of
M/s JFC Finance (India) Limited



(Vijay Kumar Chopra)

Director

DIN: 03462730

Date: 05.11.2021

Place: New Delhi

Note:-

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) Proxies in order to be valid and effective must be delivered at the registered office of the company not later than 48 hours before the commencement of the meeting.
- 3) Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office at P-32, Lower Ground Floor, South Extension Part-II, New Delhi 110049 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this AGM and also at the AGM.)
- 4) A person can act as proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10.00%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10.00%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or Shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, etc., must be supported by an appropriate resolution/authority, as applicable. A Proxy Form is annexed to this Notice.
- 5) Corporate Members are required to send a certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with Audited Standalone and Consolidated Financial Statement for the financial year ended 31st March 2021.

Financial Results

The Financial working results for the year are as under:

(Amount in Rs.)

Particulars	Standalone		Consolidated	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Total Income	13,28,27,226	3,45,34,970	15,69,81,901	9,01,75,031
Total Expenditure	6,75,19,085	7,20,85,188	10,13,68,035	27,85,86,143
Profit/(loss) before Tax	6,53,08,141	(3,75,50,218)	5,54,31,052	(27,83,41,097)
Current Tax	23,81,262	0.00	23,81,262	20,49,410
Deferred Tax	(1,53,78,706)	6,80,663	(155,81,249)	(2,40,496)
Net Profit/(loss) after Tax	7,83,05,585	(3,82,30,881)	6,85,12,428	28,01,50,011

State of Company's affairs

JFC Finance (India) Limited, a public limited Company registered under the Companies Act 1956 with the ROC, New Delhi and the Company was granted the Certificate of Registration by the RBI to commence/carry on the business of Non-Banking Finance Company.

JFC being a Non-Banking Finance Company, apart from providing loans, it is also investing in distressed assets and searching new verticals to expand business. JFC has experience in acquisition / takeover of the companies by submitting the Resolution Plans as per the provisions of the Insolvency & Bankruptcy Code 2016 (IBC) and has made investments into the financial assets through Asset Reconstruction Companies (ARCS) to take the benefit of upside by resolution of distress assets.

Share Capital

As on 31 March 2021, paid-up share capital of the Company stood at Rs. 16,54,17,100 consisting of 33,91,710 equity shares of face value of Rs. 10 each fully paid-up and

1315 0.01% Compulsorily Convertible Redeemable Preference Shares of Rs. 1,00,000/- each fully paid up.

Subsidiary Company

Hotel Gaudavan Private Limited (HGPL): "Hotel Gaudavan Private Limited" is a private Limited Company registered under the Companies Act 1956 with the ROC, Jaipur and is engaged in the business of purchase, sell, lease or otherwise acquire any land, building, premises, and to turn into account, develop, improve, alter, demolish or let out or otherwise deal in any manner in any properties or assets whether belonging to company or not for the purpose of carrying on the business of Hotel, House Hotel, Guest House, Tourist Village, Tourist Cottage, Restaurants etc.

JFC Finance (India) Limited has acquired 100% stake in Hotel Gaudavan Private Limited pursuant to the order of the Hon'ble NCLT dated 13/12/2017 and consequently HGPL became the wholly owned subsidiary of the Company. However presently the Company owns 83.81% stake in HGPL.

Weblink of Annual Return

In terms of the provisions of Section 92(3) of Companies Act, 2013 read with Section 134(3)(a) of Companies Act, 2013, the Annual Return in Form MGT-7 shall be placed on the website of the Company viz. www.jfcindia.com as soon as the same shall be filed with the registrar of Companies.

Meetings of the Board

11 (Eleven) meetings of the Board of Directors of the Company were held during the year, details of which are given below:

S. No.	Date of the meeting	No. of Directors attended the meeting
1	15.06.2020	3
2	30.06.2020	2
3	15.07.2020	3
4	26.08.2020	2
5	30.09.2020	3
6	12.10.2020	3
7	11.11.2020	3
8	20.11.2020	3
9	07.12.2020	3
10	01.02.2021	3
11	25.03.2021	3

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the Company as at March 31, 2021 and profit earned by the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

Auditors

pursuant to the provisions of Section 139 & 142, and other applicable provisions, if any, of the Companies Act, 2013, and rules framed thereunder, (including any statutory modifications or re-enactment thereof,) for the time being in force M/s. AGN & Associates, Chartered Accountants, were appointed as statutory auditors of the Company at the 24th Annual General Meeting to hold office till the conclusion of the 29th Annual General Meeting with remuneration as fixed by the Board of Directors of the Company at the time of their appointment.

Pursuant to the provisions of Section 134 (3ca) read with Section 143 (12) of the Companies Act, 2013, there are no such frauds reported by auditors of the Company in their report.

Pursuant to the provision of Section 134 (3f) of the Companies Act 2013, there is no any qualification, reservation or adverse remark made by the Auditor in their report.

Declaration given by Independent Director

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the prescribed requirements.

Policy on Director's Appointment and Remuneration

The salient features and changes to the policy on directors' appointment and remuneration is placed on the Company's website www.jfcindia.com

Particulars of loans given, investments made, guarantees given and securities provided

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements. Full particulars of Loans given, Investments made and Guarantees given (wherever applicable), and Securities provided are furnished in the notes to Financial Statements.

Contracts and Arrangements with related parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis as per the provisions of Section 188 of the Companies Act, 2013.

Harmonization of different categories of NBFCs

RBI, vide its circular dated 22nd February 2019, harmonized different categories of NBFCs into fewer ones on the basis of the principle of regulation by activity rather than regulation by entity in order to provide greater operational flexibility.

Accordingly, the three categories of NBFCs viz., Asset Finance Companies, Loan Companies and Investment Companies have been merged into a new category called NBFC - Investment and Credit Company.

The Company now is categorized as NBFC- Investment and Credit Company.

Transfer to Reserves

During the year, the Company was required to transfer the 20% of Net Profit of the year to the Statutory Reserves as per the provisions of Section 45-1C of Reserve Bank of India Act, 1934. Accordingly Rs. 1,56,61,117 has been transferred to the Statutory Reserves.

Dividend

During the year, the Company has not declared any dividend for the FY 2020-21.

Material Changes and Commitments

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

Impact of Covid-19 Pandemic

The COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activities. During the Covid -19 pandemic, all the guidelines and regulations were followed as given by the state & district authorities. Everyone was kept disciplined to keep the environment safe and hygienic.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Provisions of Section 134(3)(m) of the Companies Act, 2013, regarding Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo, are not applicable to the Company.

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

Risk Management Policy

The Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

Directors' Appointment and Remuneration Policy

Your Company has Directors' appointment as well as Remuneration Policy including criteria for determining qualification, positive attributes, Independence of a Director and other matters.

Annual Evaluation of Performance of the Board and its Committees and of Individual Directors

Your Company has developed proformas wherein individual Directors provide the achievements/work done by them to judge their performance. During the financial year 2020-21 your directors' performance was very good.

Audit Committee

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 Members of the Audit Committee possess financial / accounting expertise / exposure.

The terms of reference of Audit Committee

The brief terms of reference of Audit Committee are as under:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company
2. review and monitor the auditor's independence and performance and effectiveness of the audit process;
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or any subsequent modification of transaction or transactions of the Company with related party;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;

7. Evaluation of internal financial controls and risk management system; and
8. Monitoring and end use of funds raised through public offers and related matter.

Meetings of Audit Committee:

The Audit Committee met Six (6) times during the financial year 2020-21 on the following dates:

S. No.	Date of the Meeting	No. of Members attended the Meeting
1	15.06.2020	3
2	15.07.2020	3
3	12.10.2020	3
4	11.11.2020	3
5	07.12.2020	3
6	01.02.2021	3

Nomination and Remuneration Committee

NRC identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment, remuneration & removal and shall carry out evaluation of every directors performance.

The terms of reference of NRC shall, inter-alia, include the following:

1. Identifying individuals suitably qualified to be appointed as the Director and KMPs or as in the Senior Management of the Company;
2. Recommending to the Board on the selection of individuals nominated for directorship;
3. Making recommendations to the Board on the remuneration payable to the Directors/KMPs/Senior Officials so appointed/reappointed;
4. Assessing the independence of Independent Directors
5. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Companies Act 2013 and Rules there under.
6. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director, Senior Management 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."

Meetings of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met Two (2) times during the financial year 2020-21 on the following dates:

S. No.	Date of the Meeting	No. of Members attended the Meeting
1	15.06.2020	3
2	12.10.2020	3

Corporate Social Responsibility

The Provisions of Section 134(3)(o) of the Companies Act, 2013, regarding policy developed and implemented by the Company on Corporate Social Responsibility, are not applicable to the Company.

Directors and Key Managerial Personnel

Directors:

The Board of Directors comprised of Two Executive Directors and One Non-Executive Independent Directors as on 31st March, 2021.

S. No.	Name of the Director	Designation
1.	Mr. Vijay Kumar Chopra	Whole Time Director
2.	Mr. Sunil Kumar	Whole Time Director
3.	Mr. Dhananjay Gautam	Non- Executive Independent Director

Key Managerial Personnel:

Mr. Samir Kumar Jha had been appointed as Company Secretary (CS) of the Company w.e.f 12th October, 2020.

Public Deposits

Your Company has not accepted any deposit from the public and no amount on account of principal or interest on deposit from public was outstanding as on 31st March, 2021.

Significant and Material Orders passed by the Regulators

During FY 2020-21, no significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

Prevention of Sexual Harassment of Women at Workplace

During the year under review, there was no instance reported under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.


Acknowledgements


The Board of Directors would like to express its gratitude and its appreciation for the support and co-operation from its members, RBI and other regulators, banks, financial institutions, trustees for debenture holders and FD holders.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company and thank them for yet another excellent year.

For and on behalf of the Board of Director of
M/S JFC Finance (India) Limited

Date: 05.11.2021
Place: New Delhi


(Vijay Kumar Chopra)
Director
DIN: 03462730


(Sunil Kumar)
Director
DIN: 03247767