

# JFC FINANCE (INDIA) LIMITED

Reg. office: P-32, Lower Ground Floor, South Extension Part-II New Delhi-110049

CIN: U74899DL1995PLC072767; Email: [contact@jfcindia.com](mailto:contact@jfcindia.com)

Ph: 011-41612881, M: 9818295489, 8448864389; website: [www.jfcindia.com](http://www.jfcindia.com)

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## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of Members of **M/s JFC FINANCE (INDIA) LIMITED** will be held on Saturday, 30<sup>th</sup> September, 2023, at 03:00 P.M. at the registered office of the Company at 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 31<sup>st</sup> March, 2023 and the Report of the Board of Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Sunil Kumar, who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **TO ADOPT OF NEW SET OF ARTICLES OF ASSOCIATION OF COMPANY INTER-ALIA PURSUANT TO THE COMPANIES ACT, 2013**

To consider and if thought fit, to pass, with or without Modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 5 and Section 14 of the Companies Act, 2013 (the Act'), Schedule 1 made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to issue the certified copy of this resolution and take other necessary steps to give effect to above resolution.”

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

**Date: 05.09.2023**  
**Place: New Delhi**

Sd/-  
**Vijay Kumar Chopra**  
**Director**  
**DIN: 03462730**

**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.
- 6) Explanatory Statement as required under Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
- 7) Route Map for the venue of Annual General Meeting is annexed to this notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM No. 3**

The Articles of Association (“AOA”) of the Company is presently is in accordance with Companies Act, 1956 and is required to be adopted according to Companies Act, 2013.

The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 (‘New Act’). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration/deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on 09<sup>th</sup> August, 2023 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders’ approval for the same. In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as a Special Resolution.

None of the Directors/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

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

**Date: 05.09.2023**  
**Place: New Delhi**

Sd/-  
**Vijay Kumar Chopra**  
**Director**  
**DIN: 03462730**



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 28<sup>th</sup> Directors' Report of the Company together with Audited Standalone and Consolidated Financial Statement for the financial year ended 31<sup>st</sup> March 2023.

### Financial Results

The Financial working results for the year are as under:

(Amount in Rs. '000)

| Particulars                        | Standalone    |              | Consolidated   |                 |
|------------------------------------|---------------|--------------|----------------|-----------------|
|                                    | 31-03-2023    | 31-03-2022   | 31-03-2023     | 31-03-2022      |
| Total Income                       | 2,56,433      | 92,918       | 3,05,279       | 1,12,340        |
| Total Expenditure                  | 2,38,409      | 69,080       | 3,07,706       | 1,06,957        |
| Profit/(loss) before Tax           | 18,024        | 23,839       | (2,427)        | 5,383           |
| Current Tax                        | 6,465         | 6,027        | 6,465          | 6,026           |
| Deferred Tax                       | (2,145)       | 14,727       | (2,116)        | 14,480          |
| <b>Net Profit/(loss) after Tax</b> | <b>13,704</b> | <b>3,085</b> | <b>(6,776)</b> | <b>(15,124)</b> |

### 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 Finance (India) Limited being a Non-Banking Finance Company, apart from providing loans 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 2023, 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 object of purchase, sale, 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.

Hotel Gaudavan engaged in the business of running a Hotel at Jaisalmer, Rajasthan in the name of Fort Rajwada.

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.

### **Web link 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](http://www.jfcindia.com) as soon as the same shall be filed with the registrar of Companies.

### **Meetings of the Board**

15 (Fifteen) meetings of the Board of Directors of the Company were held during the financial year 2022-23, details of which are given below:

| <b>S. No.</b> | <b>Date of the meeting</b> | <b>No. of Directors attended the meeting</b> |
|---------------|----------------------------|--|
| 1             | 05/04/2022                 | 3  |
| 2             | 30/04/2022                 | 3  |
| 3             | 23/05/2022                 | 3  |
| 4             | 06/06/2022                 | 3  |
| 5             | 30/07/2022                 | 3  |
| 6             | 01/08/2022                 | 3  |
| 7             | 09/08/2022                 | 5  |
| 8             | 12/08/2022                 | 5  |
| 9             | 03/09/2022                 | 5  |
| 10            | 17/09/2022                 | 5  |
| 11            | 27/12/2022                 | 5  |
| 12            | 18/01/2023                 | 5  |
| 13            | 14/02/2023                 | 5  |
| 14            | 16/03/2023                 | 5  |

|    |            |   |
|----|------------|---|
| 15 | 31/03/2023 | 5 |
|----|------------|---|

### **Directors' Responsibility Statement**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2023, 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, 2023 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. Sandeep Kumar Singh & Co., Chartered Accountants, (Firm's Registration No. 0511685), were appointed as statutory auditors of the Company at the 27<sup>th</sup> Annual General Meeting of the Company for the period of 5 years 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](http://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 note no 4&5 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 22<sup>nd</sup> 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. 2,741 has been transferred to the Statutory Reserves.

#### **Dividend**

During the financial year 2022-23, the Company has not declared any dividend.

#### **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.

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

The disclosure to be made under sub section (3) (m) of Section 134 of the Companies Act, 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 by your Company are explained as under:

- a) Conservation of Energy & Technology Absorption : N.A.  
b) Foreign Exchange Earning & Outgo : NIL

### **Risk Management Policy**

Normally the risks are classified as financial risk, operational risk and market risk, so far as your Company is concerned Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the Company to Control risk if any.

### **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 performance wherein individual Directors provide the achievements/work done by them to judge their performance. During the financial year 2022-23 your directors' performance was very good.

### **Directors and Key Managerial Personnel**

#### **Directors:**

The Board of Directors comprised of Two Executive Directors and Three Non-Executive Independent Director as on 31<sup>st</sup> March, 2023.

| <b>S.No.</b> | <b>Name of the Director</b> | <b>Designation</b>                  |
|--------------|-----------------------------|-------------------------------------|
| 1.           | Mr. Vijay Kumar Chopra      | Executive Director                  |
| 2.           | Mr. Sunil Kumar             | Executive Director                  |
| 3.           | Mr. Dhananjay Gautam        | Non- Executive Independent Director |
| 4.           | Mr. Vikas Gupta             | Non- Executive Independent Director |
| 5.           | Mr. Tanpreet Singh Kohli    | Non- Executive Independent Director |

During the financial year 2022-23 under review, Two Non-Executive Independent Directors (1. Vikas Gupta and 2. Tanpreet Singh Kohli) had appointed in the Board of the Company on 01.08.2022.

#### **Key Managerial Personnel:**

| <b>S.No.</b> | <b>Name of the KMP</b> | <b>Designation</b>      |
|--------------|------------------------|-------------------------|
| 1.           | Mr. Vikaram jeet       | Chief Financial Officer |
| 2.           | Ms. Shruti Jain        | Company Secretary       |

During the Financial year 2022-23, Mr. Jatin Chopra was appointed as Company Secretary of the Company w.e.f. 05.04.2022 and resigned w.e.f. 23.05.2022 from the Post of Company Secretary. Further, Mr. Ronit Gaba was appointed as a Company Secretary of the Company w.e.f. 01.08.2022 and resigned w.e.f. 17.09.2022 from the Post of Company Secretary.

Ms. Shruti Jain was appointed as Company Secretary of the Company w.e.f. 16.03.2023.

The Provisions regarding the formal Annual Evaluation of the performance of the Board of Directors etc., are not applicable to the Company.

### **Audit Committee**

The Audit 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 2022-23 on the following dates:

| <b>S. No.</b> | <b>Date of the Meeting</b> | <b>No. of Members attended the Meeting</b> |
|---------------|----------------------------|--|
| 1             | 05/04/2022                 | 3  |
| 2             | 06/06/2022                 | 3  |
| 3             | 12/08/2022                 | 3  |
| 4             | 18/01/2023                 | 3  |
| 5             | 14/02/2023                 | 3  |
| 6             | 16/03/2023                 | 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 2022-23 on the following dates:

| <b>S. No.</b> | <b>Date of the Meeting</b> | <b>No. of Members attended the Meeting</b> |
|---------------|----------------------------|--|
| 1             | 05/04/2022                 | 3  |
| 2             | 16/03/2023                 | 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 applicable to the Company.

Pursuant to the provisions of section 135 and Schedule VII of the Companies Act 2013, the CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of CSR Projects or programmes to be undertaken by the Company as per the CSR Policy. The CSR policy has been duly approved by the Board of Directors.

### **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 31<sup>st</sup> March, 2023.

#### **Significant and Material Orders passed by the Regulators**

During FY 2022-23, 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.

#### **The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year**

During the year under review, there were no applications made or proceeding spending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

#### **The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.**

During the year under review, there has been no one time settlement of loans taken from Banks and Financial Institutions.

#### **Listing Details**

The Company has following Debt Security which is listed on the Bombay Stock Exchange (BSE):

25 (Twenty Five) Nos. unsecured, zero coupon, Redeemable Non-Convertible Debentures of Rs. 1,00,00,000/- each for an aggregate amount of Rs. 25,00,00,000/- , fully paid up issued by the Company on 28.06.2018 which are redeemable in 10 years.

#### **Details of Debenture Trustee**

**Name of Debenture Trustee:** Axis Trustee Services Limited  
**Address:** Axis House, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400025

#### **Details of RTA**

**Name of RTA:** Skyline Financial Services (P) Ltd



**Address:** D-153A , 1st Floor, Okhla Industrial Area,  
Phase -I, New Delhi – 110020

**Related Party Disclosure specified in Para- A of Schedule V of SEBI LODR, 2015**

**A. Related Party Disclosures:**

1. The Company has made all disclosures in compliance with Accounting Standards on “Related Party Disclosure” in the Balance Sheet of the Company for the financial year 2022-23.
2. The Disclosure requirements shall be as follows:

| <b>S. No.</b> | <b>In the accounts of</b> | <b>Disclosures of amounts at the year end and the maximum amount of loans/advances/Investment outstanding during the year.</b> |
|---------------|---------------------------|--|
| 1.            | Holding Company           | Company does not have any Holding Company  |
| 2.            | Subsidiary Company        | Hotel Gaudavan Private Limited   |

- 2A. Disclosures of transactions of the Company with any person or entity belonging to the promoters/ promoter group given in the Board report of the Company.

**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: 29.05.2023**  
**Place: New Delhi**

**Sd/-**  
**Vijay Kumar Chopra**  
**Director**  
**DIN: 03462730**

**Sd/-**  
**Sunil Kumar**  
**Director**  
**DIN: 03247767**



**CA Sandeep Kumar Singh & Co.**

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## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
JFC FINANCE (INDIA) LIMITED**

### **REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the accompanying standalone financial statements of **JFC FINANCE (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the section 133 of the Act read with the Companies (Indian Accounting Standards ) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Other Information – Other than the Financial Statements and Auditors Report thereon**

The Company's Board of Directors is responsible for the preparation and presentation of the other information. The other Information comprises the information included in the Board's Report including Annexures to Board's Report and Annual Return, but does not include the financial statements and our auditor's report thereon.

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

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

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

## **Responsibilities of Management for Standalone Financial Statements**

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

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

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

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 paragraphs 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, Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 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".
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note on contingent liabilities to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring the amounts, which was required to be transferred to the investor education and protection fund by the company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or proposed dividend during the year.

UDIN:23511685BGXAKW9198  
**For Sandeep Kumar Singh & Co.**  
Chartered Accountants  
Firm Regn. No. 035528N

S/d-

**(Sandeep Kumar Singh)**  
Proprietor  
M.No. 511685

Place : New Delhi

Dated: 29.05.2023

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JFC FINANCE (INDIA) LIMITED**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has no intangible assets, therefore, this clause is not applicable on the Company.
  - (b) According to the information and explanation given to us, the Property, Plant and Equipments were physically verified during the year by the management in accordance with a regular programme of verification and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanation given to us, and on the basis of our examination of the records of the Company, the immovable properties of the Company which is disclosed in the financial statements are held in the name of the Company and the title deeds of said immovable properties are held in the name of the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) Company had no inventory during the year hence provision of clause 3(ii)( a) of the order is not applicable to the company.
  - (b) The Company was not having any working capital limits during the year from banks or financial institutions. Therefore, this clause is not applicable on the Company.
- iii. The Company is a Non-Banking Financial Company ('NBFC'), hence reporting under clauses 3(iii) (a), (e) & (f) of the order are not applicable to the Company.
  - (b) The Company, being a Non-Banking Financial Company, registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, wherever



applicable as per nature of the loan and terms of the loan agreement. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery of such loans/advances which are not repaid by borrowers as per stipulations.

(d) According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery in cases where repayment of principal and payment of interest is not received as stipulated.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted or received any deposit or amounts which are deemed to be deposits as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are NIL:
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
  - (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest from any lender.
  - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The Company has applied the term loan, if any, for the purpose for which the loans were obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis, if any, have not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the

Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) The Company has not raised any loans on the pledge of securities held in its subsidiary, joint ventures or associates companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.  
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.  
(c) The Company has not received any whistle blower complaints during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. In our opinion, internal audit is not applicable on the Company. Hence, reporting under clause (xiv) of the Order is not applicable.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is registered as NBFC with the Reserve Bank of India Act, 1934 vide registration certificate number 14.01156 dated 15th September 1998.  
(b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 to conduct NBFC activities.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, this sub clause is not applicable on the Company.  
(d) The Group has no CIC as defined in the regulations made by the Reserve Bank of India. Hence, this sub clause is not applicable on the Company.

- xvii. The Company has not incurred cash loss during the financial year covered by our audit and during the immediately preceding financial year.
- xviii. There has been a resignation of the statutory auditors of the Company during the year. There were no issues, objections or concerns raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There is no unspent amounts towards Corporate Social Responsibility (CSR) towards the other than ongoing projects to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) Rs. Nil unspent under sub section (5) of section 135 of Companies Act pursuant to any ongoing project for which Company is exploring various opportunities to comply with the provision of sub section (6) of section 135 of Companies Act at the end of the Financial Year.
- xxi. There have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

UDIN:23511685BGXAKW9198

**For Sandeep Kumar Singh & Co.**

Chartered Accountants

Firm Regn. No. 035528N

S/d-

**(Sandeep Kumar Singh)**

Proprietor

M.No. 511685

Place : New Delhi

Dated: 29.05.2023

**Annexure B to the Independent Auditor's Report of even date on the Financial Statements of JFC FINANCE (INDIA) LIMITED**

**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 JFC FINANCE (INDIA) LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

UDIN:23511685BGXAKW9198

**For Sandeep Kumar Singh & Co.**

Chartered Accountants

Firm Regn. No. 035528N

S/d-

**(Sandeep Kumar Singh)**

Proprietor

M.No. 511685

Place : New Delhi

Dated: 29.05.2023

**JFC FINANCE (INDIA) LIMITED**  
**STANDALONE AUDITED BALANCE SHEET AS AT 31 MARCH 2023**

| Particulars                                 | Notes   | Amount in ₹ '000    |                     |
|---|---------|---------------------|---------------------|
|   |         | As at<br>31.03.2023 | As at<br>31.03.2022 |
| <b>ASSETS</b>                               |         |                     |                     |
| <b>Financial assets</b>                     |         |                     |                     |
| (a) Cash and Cash equivalents               | 2       | 60,615              | 91,512              |
| (b) Bank balance Other than (a) above       |         | -                   | -                   |
| (c) Receivables                             |         |                     |                     |
| (i) Trade receivables                       | 3a & 3b | 21,264              | 15,088              |
| (ii) Other receivables                      |         | -                   | -                   |
| (d) Loans                                   | 4       | 3,10,582            | 2,96,033            |
| (e) Investments                             | 5       | 6,98,945            | 7,66,841            |
| (f) Other financial assets                  | 6       | 2,20,688            | 3,22,345            |
| <b>Total Financial Assets</b>               |         | <b>13,12,094</b>    | <b>14,91,819</b>    |
| <b>Non financial assets</b>                 |         |                     |                     |
| (a) Property, Plant and Equipment           | 7       | 7,552               | 7,540               |
| (b) Other non-financial assets              | 8       | 24,433              | 21,075              |
| <b>Total Non- Financial Assets</b>          |         | <b>31,985</b>       | <b>28,615</b>       |
| <b>Total Assets</b>                         |         | <b>13,44,079</b>    | <b>15,20,434</b>    |
| <b>LIABILITIES AND EQUITY</b>               |         |                     |                     |
| <b>LIABILITIES</b>                          |         |                     |                     |
| <b>Financial Liabilities</b>                |         |                     |                     |
| (a) Debt securities                         | 9       | 2,50,000            | 2,50,000            |
| (b) Borrowings (Other than debt securities) | 10      | -                   | 8,500               |
| (c) Other financial liabilities             | 11      | -                   | -                   |
| <b>Total Financial Liabilities</b>          |         | <b>2,50,000</b>     | <b>2,58,500</b>     |
| <b>Non Financial Liabilities</b>            |         |                     |                     |
| (a) Current tax liabilities                 | 12      | 6,467               | 6,051               |
| (b) Deferred tax liability(Net)             | 12      | 30,782              | 17,474              |
| (c) Other non-financial liabilities         | 13      | 9,464               | 2,50,693            |
| <b>Total Non Financial Liabilities</b>      |         | <b>46,713</b>       | <b>2,74,219</b>     |
| <b>EQUITY</b>                               |         |                     |                     |
| (a) Equity Share capital                    | 14      | 1,65,417            | 1,65,417            |
| (b) Other Equity                            | 15      | 8,81,949            | 8,22,299            |
| <b>Total Equity</b>                         |         | <b>10,47,366</b>    | <b>9,87,715</b>     |
| <b>Total Liability and Equity</b>           |         | <b>13,44,079</b>    | <b>15,20,434</b>    |

**Summary of significant accounting policies** 1  
The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached  
UDIN:23511685BGXAKW9198  
**For Sandeep Kumar Singh & Co.**  
Chartered Accountants  
Firm Regn. No.035528N

**For & on behalf of the Board of Directors**

S/d-

S/d-

S/d-

S/d-

S/d-

**(CA Sandeep Kumar Singh)**  
Membership No.511685  
Proprietor  
Place: New Delhi

**(Vijay Kumar Chopra)**  
Director  
DIN:03462730  
Date:29-May-2023

**(Sunil Kumar)**  
Director  
DIN:03247767

**(Vikram Jeet Rana)**  
Chief Financial Officer  
PAN: ALQPR3986B

**(Shrutl Jain)**  
Company Secretary  
PAN: BDBFJ0088C

**JFC FINANCE (INDIA) LIMITED**  
**STATEMENT OF AUDITED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023**

Amount in ₹ '000 except per share data

| Particulars   | Notes | Amount in ₹ '000 except per share data |                                  |
|---|-------|--|----------------------------------|
|   |       | For the year ended<br>31.03.2023       | For the year ended<br>31.03.2022 |
| <b>Revenue from Operations</b>  |       |  |                                  |
| Interest Income   | 16    | 28,495                                 | 29,369                           |
| Fees and Commission income  | 17    | 1,371                                  | 612                              |
| <b>Total Revenue from Operations</b>  |       | <b>29,866</b>                          | <b>29,981</b>                    |
| Other Income  | 18    | 2,26,567                               | 62,937                           |
| <b>Total Income</b>   |       | <b>2,56,433</b>                        | <b>92,918</b>                    |
| <b>Expenses</b>   |       |  |                                  |
| Finance Cost  | 19    | 179                                    | 6,055                            |
| Employee benefit expenses   | 20    | 8,685                                  | 7,089                            |
| Depreciation  | 7     | 550                                    | 512                              |
| Other expenses  | 21    | 2,28,995                               | 55,423                           |
| <b>Total Expenses</b>   |       | <b>2,38,409</b>                        | <b>69,079</b>                    |
| <b>Profit/(Loss) Before Tax</b>   |       | <b>18,024</b>                          | <b>23,840</b>                    |
| <b>Tax Expenses</b>   |       |  |                                  |
| Current Tax   | 12    | 6,465                                  | 6,027                            |
| Deferred Tax  | 12    | (2,145)                                | 14,727                           |
| <b>Profit/(Loss) for the Year</b>   |       | <b>13,704</b>                          | <b>3,085</b>                     |
| <b>Other Comprehensive Income/(Loss)</b>  |       |  |                                  |
| <b>Items that will not be reclassified to profit or loss:</b>   |       |  |                                  |
| Net Gain/(Loss) on equity securities measured at Fair Value through Other Comprehensive Income (FVTOCI) |       | 61,399                                 | 76,854                           |
| Income Tax impact on gain/(loss) on FVTOCI on equity securities   |       | (15,453)                               | (19,343)                         |
| Other Comprehensive Income/(Loss) for the year (net of tax)   |       | <b>45,946</b>                          | <b>57,512</b>                    |
| <b>Total comprehensive income/(Loss) for the year</b>   |       | <b>59,650</b>                          | <b>60,597</b>                    |
| Basic Earning/(Loss) per share  | 22    | 4.04                                   | 0.91                             |
| Diluted Earning/(Loss) per share  | 22    | 3.05                                   | 0.69                             |

**Summary of significant accounting policies**

1

The accompanying notes are an integral part of these standalone financial statements.  
UDIN:23511685BGXAKW9198

As per our report of even date attached

**For Sandeep Kumar Singh & Co.**

**Chartered Accountants**  
**Firm Regn. No.035528N**

**For & on behalf of the Board of Directors**

S/d-

S/d-

S/d-

S/d-

S/d-

**(CA Sandeep Kumar Singh)**  
Membership No.511685  
Proprietor  
Place: New Delhi

**(Vijay Kumar Chopra)**  
Director  
DIN:03462730  
Date:29-May-2023

**(Sumil Kumar)**  
Director  
DIN:03247767

**(Vikram Jeet Rana)**  
Chief Financial Officer  
PAN: ALQPR3986B

**(Shruti Jain)**  
Company Secretary  
PAN: BDBPJ0098C

**JFC FINANCE (INDIA) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

**A. Equity Share Capital**  
**(1) Current reporting period**

Amount in ₹ '000

| Particulars                                  | Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|--|---|---|--|
| Equity share capital                         | 33,917   | -  | 33,917  | -   | 33,917   |
| Preference share capital [Treated as equity] | 1,31,500   | -  | 1,31,500  | -   | 1,31,500   |
| <b>Total</b>                                 | <b>1,65,417</b>  | <b>-</b>   | <b>1,65,417</b>   | <b>-</b>  | <b>1,65,417</b>                                    |

**(2) Previous reporting period**

| Particulars                                  | Balance at the beginning of the previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period |
|--|---|--|--|--|---|
| Equity share capital                         | 33,917  | -  | 33,917   | -  | 33,917  |
| Preference share capital [Treated as equity] | 1,31,500  | -  | 1,31,500   | -  | 1,31,500  |
| <b>Total</b>                                 | <b>1,65,417</b>   | <b>-</b>   | <b>1,65,417</b>  | <b>-</b>   | <b>1,65,417</b>                                     |

**B. Other Equity**

**(1) Current reporting period**

| Particulars   | Reserves and Surplus |   |                   | Compulsory Convertible Debentures [CCD] | Other Comprehensive Income   | Total    |
|---|----------------------|---|-------------------|---|--|----------|
|   | Securities Premium   | Special Reserve created under section 45-1C of Reserve Bank of India Act, 1934. | Retained Earnings |   | Equity Instruments through Other Comprehensive Income (Net of Tax) |          |
| Balance at the beginning of the current reporting period          | 4,66,935             | 24,867  | 37,176            | 2,36,000                                | 57,320   | 8,22,298 |
| Changes in accounting policy or prior period errors               | -                    | -   | -                 | -                                       | -  | -        |
| Restated balance at the beginning of the current reporting period | 4,66,935             | 24,867  | 37,176            | 2,36,000                                | 57,320   | 8,22,298 |
| Profit for the year   | -                    | -   | 13,704            | -                                       | -  | 13,704   |
| Other comprehensive income for the year (Net of tax)              | -                    | -   | -                 | -                                       | 45,946   | 45,946   |
| Total Comprehensive Income for the current year                   | -                    | -   | 13,704            | -                                       | 45,946   | 59,650   |
| Transfer during the year u/s 45-1C of RBI Act                     | -                    | 2,741   | (2,741)           | -                                       | -  | -        |
| Balance at the end of the current reporting period                | 4,66,935             | 27,608  | 48,139            | 2,36,000                                | 1,03,266   | 8,81,949 |

**(2) Previous reporting period**

| Particulars   | Reserves and Surplus |   |                   | Compulsory Convertible Debentures [CCD] | Other Comprehensive Income   | Total    |
|---|----------------------|---|-------------------|---|--|----------|
|   | Securities Premium   | Special Reserve created under section 45-1C of Reserve Bank of India Act, 1934. | Retained Earnings |   | Equity Instruments through Other Comprehensive Income (Net of Tax) |          |
| Balance at the beginning of the current reporting period          | 4,66,935             | 24,250  | 34,708            | 2,36,000                                | (191)  | 7,61,702 |
| Changes in accounting policy or prior period errors               | -                    | -   | -                 | -                                       | -  | -        |
| Restated balance at the beginning of the current reporting period | 4,66,935             | 24,250  | 34,708            | 2,36,000                                | (191)  | 7,61,702 |
| Profit for the year   | -                    | -   | 3,085             | -                                       | -  | 3,085    |
| Other comprehensive income for the year (Net of tax)              | -                    | -   | -                 | -                                       | 57,512   | 57,512   |
| Total Comprehensive Income for the current year                   | -                    | -   | 3,085             | -                                       | 57,512   | 60,597   |
| Transfer during the year u/s 45-1C of RBI Act                     | -                    | 617   | (617)             | -                                       | -  | -        |
| Balance at the end of the current reporting period                | 4,66,935             | 24,867  | 37,176            | 2,36,000                                | 57,320   | 8,22,298 |

The accompanying notes are an integral part of these standalone financial statements.

UDIN:23511685BGXAKW9198

As per our report of even date attached

For Sandeep Kumar Singh & Co.

Chartered Accountants

Firm Regn. No.035528N

For & on behalf of the Board of Directors

S/d-

S/d-

S/d-

S/d-

S/d-

(CA Sandeep Kumar Singh)

Membership No.511685

Proprietor

Place: New Delhi

(Vijay Kumar Chopra)

Director

DIN:03462730

(Sunil Kumar)

Director

DIN:03247767

(Vikram Jeet Rana)

Chief Financial Officer

PAN: ALQPR3986B

(Shruti Jain)

Company Secretary

PAN: BDBPJ0088C

Date:29-May-2023



## JFC FINANCE (INDIA) LIMITED

## CASH FLOW STATEMENT AS AT 31ST MARCH, 2023

| Particulars  | As at 31st March<br>2023 | Amount in ₹ '000<br>As at 31st March<br>2022 |
|--|--------------------------|--|
| <b>A. Cash Flow from Operating Activities</b>                        |                          |  |
| Profit/(loss) before tax   | 18,024                   | 23,839                                       |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b> |                          |  |
| Depreciation   | 550                      | 512  |
| Loss on sale of Investments  | 206,763                  | 48,476                                       |
| Provision for Impairment- Loans                                      | 9,157                    | 363  |
| Profit on sale of Investments  | (31,231)                 | (62,475)                                     |
| Liability written back   | (194,811)                | -  |
| Other Non Cash Items   | (13)                     | -  |
| Provision for Diminution in Investments                              | (304)                    | -  |
| <b>Operating Profit /(loss) before working capital adjustments</b>   | <b>8,135</b>             | <b>10,715</b>                                |
| <b>Working Capital Adjustments</b>                                   |                          |  |
| Changes in Receivables   | (6,176)                  | 6,537  |
| Changes in loans   | (14,550)                 | (42,161)                                     |
| Changes in other financial assets                                    | 101,656                  | (258,634)                                    |
| Changes in other assets  | (3,358)                  | (13,848)                                     |
| Changes in financial Liabilities                                     | -                        | (966)  |
| Changes in non financial Liabilities                                 | (46,417)                 | 19,319                                       |
| Changes in Borrowings  | (8,500)                  | (137,500)                                    |
|  | <b>30,790</b>            | <b>(416,537)</b>                             |
| Income tax paid (net of refund)                                      | (6,050)                  | (2,356)                                      |
| <b>Cash flow from operating activities</b>                           | <b>Total (A)</b>         | <b>(418,893)</b>                             |
| <b>B. Cash Flow from Investment Activities</b>                       |                          |  |
| Purchase of Property, Plant & Equipments                             | (593)                    | (98)   |
| Purchase of Investment   | (562,486)                | (203,030)                                    |
| Sale of Investment   | 507,381                  | 604,473                                      |
| Sale of Property, Plant & Equipments                                 | 60                       | -  |
| <b>Total (B)</b>   | <b>(55,638)</b>          | <b>401,345</b>                               |
| <b>C. Cash Flow from Financial Activities</b>                        |                          |  |
| Issue of Share Capital   | -                        | -  |
| <b>Total (C)</b>   | <b>-</b>                 | <b>-</b>                                     |
| <b>Total (A+B+C)</b>   | <b>(30,897)</b>          | <b>(17,548)</b>                              |
| Opening balance of cash & cash equivalent                            | 91,512                   | 109,060                                      |
| Closing balance of cash & cash equivalent                            | 60,615                   | 91,512                                       |

UDIN:23511685BGXAKW9198  
 In terms of our report of even date  
 For Sandeep Kumar Singh & Co.  
 Chartered Accountants  
 Firm Regn. No.035528N

For and on behalf of the board of Directors

S/d-

S/d-

S/d-

S/d-

S/d-

(CA Sandeep Kumar Singh)  
 Membership No.511685  
 Proprietor  
 Place: New Delhi

(Vijay Kumar Chopra)  
 Director  
 DIN:03462730  
 Date:29-May-2023

(Sunil Kumar)  
 Director  
 DIN:03247767

(Vikram Jeet Rana)  
 Chief Financial Officer  
 PAN: ALQPR3986B

(Shruti Jain)  
 Company Secretary  
 PAN: B0BPJ0098C

## **JFC FINANCE (INDIA) LIMITED**

**Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

### **1. A. CORPORATE INFORMATION**

#### **Reporting Entity**

JFC Finance (India) Limited (the "Company"), is primarily engaged in the business of lending and investing in stressed assets of banking system. The Company is domiciled and incorporated in India in and has its registered office at P - 32, Lower Ground Floor, South Extension, Part II, New Delhi India.

The Company is Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and categorised as an Investment and Credit Company (ICC).

Non-convertible debentures of the Company are listed on the Bombay Stock Exchange of India Limited (BSE).

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on 29.05.2023.

### **B. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE**

#### **Statement of Compliance**

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

#### **(i) Basis of Preparation**

The financial statements have been prepared on the following basis:

##### **1. Basis of preparation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

The standalone financial statements are presented in ₹ which is the Company's functional currency.

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Companies Act, 2013. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

#### **(ii) Significant Accounting Policies**

A Summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

##### **1. Revenue from Operations :**

###### **a. Interest Income**

The Company recognises interest income using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

###### **b. Income from services**

Income from services rendered is recognised based on the terms of agreements/arrangements with reference to the stage of completion of contract at the reporting date.

###### **c. Other Income**

Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.

##### **2. Expenses**

###### **Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR.

###### **Other expenses**

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

##### **3. Property, Plant and Equipment**

###### **3.1 Recognition and initial measurements**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

the site on which it is located is also included if there is an obligation to restore it.

#### **3.2 Subsequent measurements**

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **3.3 De-recognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

#### **4. Depreciation**

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements/buildings are amortised over the period of the lease or the useful life of the asset, whichever is lower.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates is accounted for on a prospective basis. Assets costing less than `5,000 are depreciated fully in the year of purchase.

#### **5. Capital work-in progress**

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

#### **6. Impairment of Non-Financial Assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

**7. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustments to the borrowing costs as per the standard.

**8. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short term leases and leases of low value assets

The Company applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight line basis over the lease term.

**9. Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

**10. Financial Instruments**

**10.1 Financial Assets**

**Initial recognition and measurement**

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the

## JFC FINANCE (INDIA) LIMITED

### Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.

case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### Subsequent measurements

- **Debt Instruments** - The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### I. Financial Assets at amortised costs:

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI). Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

##### II. Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

##### III. Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

#### • **Equity Instruments** -

- The Company subsequently measures all equity investments (other than the investment in subsidiaries, associates and joint ventures which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

financial assets) is derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Investment in Subsidiaries, Joint Ventures and Associates**

Investment in equity shares of subsidiaries are accounted at cost, less impairment if any.

#### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For financial assets other than loan assets, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the assets.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL.

When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

For recognition of impairment loss on other financial assets and risk exposure, the Company categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When financial assets are first recognized, the Company recognizes an allowance based on 12 months ECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets have been reclassified from Stage 2.
- Stage 2: When a financial assets has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the financial assets have been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LTECLs.

## **JFC FINANCE (INDIA) LIMITED**

**Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

### **10.2 Financial Liabilities**

#### **Initial Recognition**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

#### **Subsequent Measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

#### **De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **10.3. Offsetting of financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **11. Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **12. Foreign Currency Translation:**

The functional currency of the Company is Indian rupee.

#### *I. Initial Recognition*

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### *II. Subsequent recognition*

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.



## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

#### **13. Employee benefits**

- I. **Short Term Obligations:** The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.
  
- II. **Compensated Absences:** Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

#### **14. Taxes**

##### **Current Income Tax and Deferred Tax**

Tax expense comprises current tax and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

##### ***Current Tax***

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

##### ***Deferred Tax***

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit, if applicable, forming part of Deferred tax assets is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

#### **15. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

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

#### **(iii) Critical accounting estimates and judgements**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

**Useful lives of property, plant and equipment and intangible assets:** The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Impairment testing:** Property, plant and equipment and Intangible assets that are subject to amortisation/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Standalone Audited Financial Statements for the year ended 31 March, 2023.**

includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.

**Provision for tax liabilities** require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

**Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

#### **Impact of COVID-19 on financials**

Currently, there is no major impact of Covid-19 on the Standalone Financial Statements of the Company

#### **(iv) Recent Accounting Standards (IND AS)**

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. As at 31.03.2023, there is no such notification which would have been pending applicable on the company.

**JFC FINANCE (INDIA) LIMITED**

Amount in ₹ '000

| Particulars                      | Amount in ₹ '000       |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Note 2</b>                    |                        |                        |
| <b>CASH AND CASH EQUIVALENTS</b> |                        |                        |
| Balance with banks:              |                        |                        |
| In current account               | 60,429                 | 91,428                 |
| Cash on hand                     | 185                    | 85                     |
| <b>Total</b>                     | <b>60,615</b>          | <b>91,512</b>          |

**Note 3a**

| Particulars   | Amount in ₹ '000       |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>TRADE RECEIVABLE</b>   |                        |                        |
| Interest receivable considered good - Secured@  | 5,557                  | 5,007                  |
| Interest receivable considered good - Unsecured   | 13,282                 | 8,031                  |
| Interest receivable considered which have significant increase in credit risk - Secured | 2,425                  | 2,050                  |
| <b>Total</b>  | <b>21,264</b>          | <b>15,088</b>          |

@ Refer Note-27 for Interest receivable from related parties.

**Note 4**
**LOANS**

| Particulars   | Amount in ₹ '000       |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>At amortised cost</b>                                  |                        |                        |
| Term Loans  | 3,21,499               | 2,97,792               |
| <b>Gross Loans#</b>                                       | <b>3,21,499</b>        | <b>2,97,792</b>        |
| Less- Impairment Allowance (Standard Assets)              | 635                    | 698                    |
| Less- Impairment Allowance (Sub-Standard Assets/Doubtful) | 10,282                 | 1,061                  |
| <b>Net Loans</b>  | <b>3,10,582</b>        | <b>2,96,033</b>        |

# Refer Note-27 for Loans given to related parties.

**Secured by classification**

|   |                 |                 |
|---|-----------------|-----------------|
| Secured by Tangible Assets                                | 2,86,574        | 2,64,006        |
| Secured by Intangible Assets                              | -               | -               |
| Unsecured   | 34,925          | 33,786          |
| <b>Gross Loans</b>  | <b>3,21,499</b> | <b>2,97,792</b> |
| Less- Impairment Allowance (Standard Assets)              | 635             | 698             |
| Less- Impairment Allowance (Sub-Standard Assets/Doubtful) | 10,282          | 1,061           |
| <b>Net Loans</b>  | <b>3,10,582</b> | <b>2,96,033</b> |

**Loans in India**

|   |                 |                 |
|---|-----------------|-----------------|
| Public Sector   | -               | -               |
| Private Sector  | 3,21,499        | 2,97,792        |
| <b>Gross Loans in India</b>                               | <b>3,21,499</b> | <b>2,97,792</b> |
| Less- Impairment Allowance (Standard Assets)              | 635             | 698             |
| Less- Impairment Allowance (Sub-Standard Assets/Doubtful) | 10,282          | 1,061           |
| <b>Net Loans in India</b>                                 | <b>3,10,582</b> | <b>2,96,033</b> |

**Loans outside India**

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Net Loans in India and outside India</b> | <b>3,10,582</b> | <b>2,96,033</b> |
|---|-----------------|-----------------|

**Note 6**
**OTHER FINANCIAL ASSETS**

| Particulars                                       | Amount in ₹ '000       |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Unsecured and considered good</b>              |                        |                        |
| Advance for Financial Assets                      | 10,000                 | 10,200                 |
| Advance to Subsidiary - Hotel Gaudavan Pvt. Ltd.* | 1,48,738               | 2,36,538               |
| Earnest Money Deposit                             | 61,800                 | 7,800                  |
| Assignment of Debt                                | 62                     | 59                     |
| Other advances and amount receivable              | 87                     | 67,746                 |
| Security Deposit                                  | 1                      | 1                      |
|   | <b>2,20,688</b>        | <b>3,22,345</b>        |

\*Unsecured, Interest free advance to wholly owned Subsidiary (i.e. Hotel Gaudavan Pvt. Ltd.) as per resolution plan approved under Insolvency and Bankruptcy Code, 2016 by Hon'ble NCLT vide order dated 13.12.2017

**Note 8**
**OTHER -NON FINANCIAL ASSETS**

| Particulars                      | Amount in ₹ '000       |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Balance with Revenue Authorities | 24,433                 | 21,075                 |
|                                  | <b>24,433</b>          | <b>21,075</b>          |

**JFC FINANCE (INDIA) LIMITED**

**Note 3b**

**Trade receivables ageing as at March 31, 2023**

| S.No. | Particulars   | Unbilled | Not Due for payment | Outstanding for following periods from due date of payment |                  |           |              |                   | Total         |
|-------|---|----------|---------------------|--|------------------|-----------|--------------|-------------------|---------------|
|       |   |          |                     | Less than 6 Months   | 6 Months- 1 year | 1-2 years | 2-3 years    | More than 3 years |               |
| 1     | Undisputed Trade receivables –considered good                                 | -        | 13,282              | 5,557  | -                | -         | -            | -                 | 18,839        |
| 2     | Undisputed Trade receivables – which have significant increase in credit risk | -        | -                   | -  | 375              | -         | 1,243        | 807               | 2,425         |
| 3     | Undisputed Trade receivables – credit impaired                                | -        | -                   | -  | -                | -         | -            | -                 | -             |
| 4     | Disputed Trade receivables –considered good                                   | -        | -                   | -  | -                | -         | -            | -                 | -             |
| 5     | Disputed Trade receivables – which have significant increase in credit risk   | -        | -                   | -  | -                | -         | -            | -                 | -             |
| 6     | Disputed Trade receivables – credit impaired                                  | -        | -                   | -  | -                | -         | -            | -                 | -             |
|       | <b>Gross</b>  | -        | <b>13,282</b>       | <b>5,557</b>   | <b>375</b>       | <b>-</b>  | <b>1,243</b> | <b>807</b>        | <b>21,264</b> |

**Trade receivables ageing as at March 31, 2022**

| S.No. | Particulars   | Unbilled | Not Due for payment | Outstanding for following periods from due date of payment |                  |              |            |                   | Total         |
|-------|---|----------|---------------------|--|------------------|--------------|------------|-------------------|---------------|
|       |   |          |                     | Less than 6 Months   | 6 Months- 1 year | 1-2 years    | 2-3 years  | More than 3 years |               |
| 1     | Undisputed Trade receivables –considered good                                 | -        | 8,031               | 3,530  | 1,477            | -            | -          | -                 | 13,038        |
| 2     | Undisputed Trade receivables – which have significant increase in credit risk | -        | -                   | -  | -                | 1,243        | 770        | 37                | 2,050         |
| 3     | Undisputed Trade receivables – credit impaired                                | -        | -                   | -  | -                | -            | -          | -                 | -             |
| 4     | Disputed Trade receivables –considered good                                   | -        | -                   | -  | -                | -            | -          | -                 | -             |
| 5     | Disputed Trade receivables – which have significant increase in credit risk   | -        | -                   | -  | -                | -            | -          | -                 | -             |
| 6     | Disputed Trade receivables – credit impaired                                  | -        | -                   | -  | -                | -            | -          | -                 | -             |
|       | <b>Gross</b>  | -        | <b>8,031</b>        | <b>3,530</b>   | <b>1,477</b>     | <b>1,243</b> | <b>770</b> | <b>37</b>         | <b>15,088</b> |

**JFC FINANCE (INDIA) LIMITED**

Amount in ₹ '000

| Note No. 5<br>Particulars   | 31.03.2023        |   | Total    |
|---|-------------------|---|----------|
|   | At amortised cost | At fair value through Profit and Loss account |          |
| <b>Equity Instruments (Subsidiaries) - Unquoted</b>   |                   |   |          |
| 61,75,000 of ₹ 10 each fully paid up of Hotel Gaudavan Private Limited ("HGPL")#.           | -                 | -   | 61,750   |
| <b>Equity Instruments (Other) - Unquoted</b>  |                   |   |          |
| 19,500 of ₹ 100 each fully paid equity share of Sopan Securities Private Limited.           | -                 | 16,179  | 16,179   |
| 350,000 of ₹ 10 each, fully paid up equity shares of Varahalaksmi Infrastructure Pvt. Ltd.  | -                 | 3,784   | 3,784    |
| 33,000 of ₹ 10 each, fully paid up equity shares of Turnaround Consultants Private Limited. | -                 | 26,242  | 26,242   |
| 3,500 of ₹ 10 each, fully paid up equity shares of Zircon Petrochem Private Limited.        | -                 | 3,711   | 3,711    |
| <b>Equity Instruments (Other) - Quoted</b>  |                   |   |          |
| 9,02,834 of ₹ 10 each of Lords Chloro Alkali Limited fully paid.                            | -                 | 1,31,949                                      | 1,31,949 |
| 18 Equity Shares of Coventry Coil O Matic Limited of Rs.10 each, fully paid.                | -                 | 0   | 0        |
| <b>Other Instruments- Security Receipts-Unquoted</b>  |                   |   |          |
| 24,000 Security Receipt of ALCHEMIST XIII TRSUT IMEL IDBI                                   | -                 | 24  | 24       |
| 3,300 Security Receipt of ALCHEMIST- XIV TRUST  | -                 | 7,878   | 7,878    |
| 2,210 Security Receipt of ALCHEMIST XVI TRUST SIMA HOTEL                                    | -                 | 2,210   | 2,210    |
| 2,89,000 Security Receipts of ALCHEMIST- XVI TRUST SBI-STPL                                 | -                 | 2,42,197                                      | 2,42,197 |
| 1,50,000 Security Receipt of ALCHEMIST- XVII TRUST SENIOR                                   | -                 | 2   | 2        |
| <b>Other Instruments- Compulsory Convertible Debentures (CCD)-Unquoted</b>                  |                   |   |          |
| 37,00,000 Fully paid CCDs of Rs.10 each of Sopan Securities Private Limited.                | 37,500            | -   | 37,500   |
| 24,500 Fully paid CCDs of Rs.1000 each of Varahalaksmi Infrastructure Pvt. Ltd.             | 25,000            | -   | 25,000   |
| 20,900 Fully paid CCDs of Rs.1000 each of Annalakshmi Trading Private Limited.              | 20,900            | -   | 20,900   |
| 61,50,000 Fully paid CCDs of Rs.10 each of Turnaround Consultants Private Limited.          | 63,500            | -   | 63,500   |
| 170 Fully paid CCDs of Rs. 1,00,000 each of Hotel Gaudavan Private Limited                  | 17,600            | -   | 17,600   |
| 33,70,000 Fully paid CCDs of Rs.10 each of Zircon Petrochem Private Limited.                | 34,500            | -   | 34,500   |
| <b>Securities, Loans and advances &amp; Other assets of Moser Baer Group -Unquoted</b>      | 8,200             | -   | 8,200    |

|   |                 |                 |               |                 |
|---|-----------------|-----------------|---------------|-----------------|
| <b>Total Investments</b>                | <b>2,07,200</b> | <b>2,52,310</b> | <b>61,750</b> | <b>7,03,125</b> |
| <b>Geographywise Investments</b>        |                 |                 |               |                 |
| Investment Outside India                | -               | -               | -             | -               |
| Investment in India                     | 2,07,200        | 2,52,310        | 61,750        | 7,03,125        |
| <b>Gross Geography wise investments</b> | <b>2,07,200</b> | <b>2,52,310</b> | <b>61,750</b> | <b>7,03,125</b> |
| Less: Allowance for Impairment          | -               | 4,179           | -             | 4,179           |
| <b>Net Geography wise Investments</b>   | <b>2,07,200</b> | <b>2,48,130</b> | <b>61,750</b> | <b>6,98,945</b> |

#JFC Finance (India) Ltd. acquired HGPL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 vide order dated 13.12.2017. During the F/y 2018-19, JFC has subscribed for 5,00,11,171 equity shares @Rs.1 per share which were consolidated into Rs.10 per share and during the F/y 2021-22, JFC purchased 10,00,000 equity shares of HGPL, thereby making HGPL as a wholly owned subsidiary of the Company.

**JFC FINANCE (INDIA) LIMITED**

Amount in ₹ '000

| Particulars   | 31.03.2022        |   | At fair value through Profit and Loss account | At Cost       | Total           |
|---|-------------------|---|---|---------------|-----------------|
|   | At amortised cost | Designated at Fair value through other comprehensive Income |   |               |                 |
| <b>Equity Instruments (Subsidiaries) - Unquoted</b>   |                   |   |   |               |                 |
| 61,75,000 of ₹ 10 each fully paid up of Hotel Gaudavan Private Limited ("HGPL")#.           | -                 | -   | -   | 61,750        | 61,750          |
| <b>Equity Instruments (Other) - Unquoted</b>  |                   |   |   |               |                 |
| 22,625 of ₹ 100 each fully paid equity share of Sopan Securities Private Limited.           | -                 | 11,604  | -   | -             | 11,604          |
| 350,000 of ₹ 10 each, fully paid up equity shares of Varahalakshmi Infrastructure Pvt. Ltd. | -                 | 3,259   | -   | -             | 3,259           |
| 27,667 of ₹ 10 each, fully paid up equity shares of Annalakshmi Trading Private Limited.    | -                 | 6,571   | -   | -             | 6,571           |
| 33,000 of ₹ 10 each, fully paid up equity shares of Turnaround Consultants Private Limited. | -                 | 16,764  | -   | -             | 16,764          |
| <b>Equity Instruments (Other) - Quoted</b>  |                   |   |   |               |                 |
| 9,02,834 of ₹ 10 each of Lords Chloro Alkali Limited fully paid.                            | -                 | 85,769  | -   | -             | 85,769          |
| 18 Equity Shares of Coventy Coil O Matic Limited of Rs.10 each, fully paid.                 | -                 | 0   | -   | -             | 0               |
| <b>Other Instruments- Security Receipts-Unquoted</b>  |                   |   |   |               |                 |
| 51,700 Security Receipts of ALCHEMIST XII TRUST JUNIOR TRUST                                | -                 | -   | 1,592   | -             | 1,592           |
| 24,000 Security Receipt of ALCHEMIST XIII TRUST JHEL IDBI                                   | -                 | -   | 24  | -             | 24              |
| 17,000 Security Receipts of ALCHEMIST - XVIII TRUST NIRO IMPLEX                             | -                 | -   | 9,095   | -             | 9,095           |
| 3,300 Security Receipt of ALCHEMIST- XIV TRUST  | -                 | -   | 7,878   | -             | 7,878           |
| 2,210 Security Receipt of ALCHEMIST XVI TRUST SIMA HOTEL                                    | -                 | -   | 2,210   | -             | 2,210           |
| 2,89,000 Security Receipts of ALCHEMIST- XVI TRUST SBI-STEL                                 | -                 | -   | 12,075  | -             | 12,075          |
| 27,209 Security Receipts of ALCHEMIST XII TRUST RBL-SIESL                                   | -                 | -   | 23,772  | -             | 23,772          |
| 1,00,000 Security Receipts of ALCHEMIST - XVIII TRUST DENA ICRM                             | -                 | -   | 99,799  | -             | 99,799          |
| 9,500 Security Receipt of ALCHEMIST - XVIII TRUST OBC SRC SPL                               | -                 | -   | 9,500   | -             | 9,500           |
| 1,50,000 Security Receipt of ALCHEMIST- XVII TRUST SENIOR                                   | -                 | -   | 2   | -             | 2               |
| 72,268 Security Receipt of ALCHEMIST- XVI TRUST AB-STFL                                     | -                 | -   | 58,234  | -             | 58,234          |
| 1,44,413 Security Receipt of ALCHEMIST - XXXIV TRUST LVB AHPL                               | -                 | -   | 21,018  | -             | 21,018          |
| 1,25,000 Security Receipt of ALCHEMIST - XXXVI TRUST SAFL                                   | -                 | -   | 34,802  | -             | 34,802          |
| 2,45,000 Security Receipt of ALCHEMIST - XXXVI TRUST SAFL 2                                 | -                 | -   | 1,94,291                                      | -             | 1,94,291        |
| 36,125 Security Receipt of ALCHEMIST - X TRUST TELEPHONE CABLE                              | -                 | -   | 81,317  | -             | 81,317          |
| 30,000 Security Receipt of ALCHEMIST - XI TRUST MOHAK CARPETS                               | -                 | -   | 30,000  | -             | 30,000          |
| 70,000 Security Receipt of ALCHEMIST - X TRUST IOB-IYL                                      | -                 | -   | 0   | -             | -               |
| <b>Total Investments</b>  | -                 | <b>1,23,968</b>   | <b>5,85,607</b>                               | <b>61,750</b> | <b>7,71,325</b> |
| <b>Geography wise Investments</b>   |                   |   |   |               |                 |
| Investment Outside India  | -                 | -   | -   | -             | -               |
| Investment in India   | -                 | <b>1,23,968</b>   | <b>5,85,607</b>                               | <b>61,750</b> | <b>7,71,325</b> |
| <b>Gross Geography wise Investments</b>   | -                 | <b>1,23,968</b>   | <b>5,85,607</b>                               | <b>61,750</b> | <b>7,71,325</b> |
| Less: Allowance for impairment  | -                 | 0   | 4,484   | -             | 4,484           |
| <b>Net Geography wise Investments</b>   | -                 | <b>1,23,968</b>   | <b>5,81,124</b>                               | <b>61,750</b> | <b>7,66,841</b> |

#JFC Finance (India) Ltd. acquired HGPL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 vide order dated 13.12.2017. During the F/y 2018-19, JFC has subscribed for 5,00,11,171 equity shares @Rs. 1 per share which were consolidated into Rs.10 per share and during the F/y 2021-22, JFC purchased 10,00,000 equity shares of HGPL, thereby making HGPL as a wholly owned subsidiary of the Company.

**JFC FINANCE (INDIA) LIMITED**  
Note 7

**Property, Plant, and Equipments**

| Particulars   | Amount in ₹ '000     |                           |                                    |                    |                           |              |  |
|---|----------------------|---------------------------|------------------------------------|--------------------|---------------------------|--------------|--|
|   | Property<br>60 Years | Motor Vehicles<br>8 Years | Furniture and Fixtures<br>10 Years | Servers<br>6 Years | Computers etc.<br>3 Years | Total        |  |
| Useful Life as per Companies Act, 2013                |                      |                           |                                    |                    |                           |              |  |
| <b>Gross Block</b>                                    |                      |                           |                                    |                    |                           |              |  |
| As at March 31, 2021                                  | 8,627                | 1,124                     | 221                                | -                  | 114                       | 10,086       |  |
| Additions   | -                    | -                         | 36                                 | -                  | 61                        | 98           |  |
| Disposals   | -                    | -                         | -                                  | -                  | -                         | -            |  |
| As at March 31, 2022                                  | 8,627                | 1,124                     | 257                                | -                  | 175                       | 10,184       |  |
| Additions   | -                    | -                         | -                                  | 514                | 79                        | 593          |  |
| Disposals   | -                    | 31,681                    | -                                  | -                  | -                         | 31,681       |  |
| As at March 31, 2023                                  | 8,627                | 1,092                     | 257                                | 514                | 254                       | 10,745       |  |
| <b>Accumulated depreciation and impairment losses</b> |                      |                           |                                    |                    |                           |              |  |
| As at March 31, 2021                                  | 1,191                | 749                       | 115                                | -                  | 76                        | 2,131        |  |
| Charge for the year                                   | 362                  | 107                       | 31                                 | -                  | 12                        | 512          |  |
| Disposals   | -                    | -                         | -                                  | -                  | -                         | -            |  |
| As at March 31, 2022                                  | 1,553                | 856                       | 146                                | -                  | 88                        | 2,643        |  |
| Charge for the year                                   | 345                  | 74                        | 29                                 | 32                 | 71                        | 550          |  |
| Disposals   | -                    | -                         | -                                  | -                  | -                         | -            |  |
| As at March 31, 2023                                  | 1,898                | 930                       | 175                                | 32                 | 158                       | 3,193        |  |
| <b>Net carrying amount as at March 31, 2022</b>       | <b>7,074</b>         | <b>268</b>                | <b>111</b>                         | <b>-</b>           | <b>88</b>                 | <b>7,540</b> |  |
| <b>Net carrying amount as at March 31, 2023</b>       | <b>6,730</b>         | <b>162</b>                | <b>82</b>                          | <b>482</b>         | <b>96</b>                 | <b>7,552</b> |  |

| Relevant line item in the Balance sheet | Description of item of property                            | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or promoter**/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company** |
|---|--|----------------------|---------------------------------|---|--------------------------------|--|
| PPE                                     | LGF Build on plot no.P-32, South Ex, Part-II, New Delhi-49 | 8,627                | JFC Finance (India) Ltd.        | N.A.  | 10.04.2018                     | N.A.   |



**JFC FINANCE (INDIA) LIMITED**

| Particulars | Amount in ₹ '000       |                        |
|-------------|------------------------|------------------------|
|             | As at<br>31 March 2023 | As at<br>31 March 2022 |

**Note 9****DEBT SECURITIES****In India****At amortised cost- Unsecured**

25 (31 March 2022-25) Listed Non Convertible Redeemable Debentures of Rs.1,00,00,000 each, fully paid, redeemable in 10 years.#

2,50,000 2,50,000

**Total Debt Security**

**2,50,000 2,50,000**

# JFC Finance (India) Ltd. has issued Unsecured, Zero Coupon, Listed, Non Convertible Redeemable Debentures of Rs.1,00,00,000 each, fully paid, which are redeemable in 10 years along with 7.75% p.a. interest.

**Note 10****BORROWING (OTHER THAN DEBT SECURITIES)**

| Particulars | As at         |               |
|-------------|---------------|---------------|
|             | 31 March 2023 | 31 March 2022 |

**In India****At amortised cost- Unsecured**

-Inter Corporate Loan #

- 8,500

**Total**

**- 8,500**

**Terms and Conditions of loans:**

# Inter Corporate loan taken @9% p.a. for 6 months.

**Note 11****OTHER FINANCIAL LIABILITIES**

| Particulars | As at         |               |
|-------------|---------------|---------------|
|             | 31 March 2023 | 31 March 2022 |

Interest Income Due but not accrued on Loans Given

- -

**Total**

**- -**

**JFC FINANCE (INDIA) LIMITED**
**Note 12**
**CURRENT TAX LIABILITIES**

| Particulars           | Amount in ₹ '000       |                        |
|-----------------------|------------------------|------------------------|
|                       | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Current Tax Liability | 6,467                  | 6,051                  |
| <b>Total</b>          | <b>6,467</b>           | <b>6,051</b>           |

**Tax disclosure**

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Current tax:</b>  |                        |                        |
| Current tax on profits for the year  | 6,465                  | 6,026                  |
| <b>Current tax expense</b>   | <b>6,465</b>           | <b>6,026</b>           |
| <b>Deferred tax charge/(credit):</b>   |                        |                        |
| Relating to origination and reversal of temporary differences                        | -2,145                 | 14,726                 |
| <b>Deferred tax charge/(credit)</b>  |                        |                        |
| <b>Total income tax expense/(income) reported in the statement of profit or loss</b> | <b>4,320</b>           | <b>20,752</b>          |
| <b>Other comprehensive income/(loss) section</b>                                     |                        |                        |
| Deferred tax charge/(credit):  | -15,453                | 19,343                 |
| <b>Income tax charged/(credited) to other comprehensive income</b>                   | <b>(15,453)</b>        | <b>19,343</b>          |

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Profit/(Loss) before tax   | 18,024                 | 23,839                 |
| At statutory income tax rate of 25.168%  | 4,536                  | 6,000                  |
| <b>Tax effect of amounts -Credit which are not deductible/(taxable) in calculating taxable income:</b> |                        |                        |
| <b>Effect of adjustments :</b>   |                        |                        |
| Adjustments due to Depreciation  | -96                    | -99                    |
| Adjustments due to disallowance while computing Taxable Income   | 2,556                  | 164                    |
| Adjustments due to deductions while computing Taxable Income   | -17                    | -14                    |
| Adjustments due to earlier year income taxes   | -25                    | -25                    |
| Adjustments due to Tax on Capital Gains  | -489                   | 0                      |
| Deferred Tax charge/(credit) due to FVTOCI   | 15,453                 | 19,343                 |
| Deferred Tax charge/(credit) other than due to FVTOCI  | -2,145                 | 14,726                 |
| <b>Total adjustments</b>   | <b>15,237</b>          | <b>34,096</b>          |
| <b>Income tax expense/(credit) including impact of Other Comprehensive Income</b>                      | <b>19,773</b>          | <b>40,095</b>          |

**(c) DEFERRED TAX LIABILITIES/(ASSETS)**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| -On account of depreciation                              | 172                    | 89                     |
| -On account of provision for diminution in investment    | -1,052                 | -1,128                 |
| -On account Impairment provisions- standard assets       | -160                   | -176                   |
| -On account Impairment provisions of sub-standard assets | -2,588                 | -267                   |
| -On account Carry Forward Capital Losses                 | -322                   | -322                   |
| -On account of Fair valuation of investments             | 34,731                 | 19,278                 |
| <b>Total</b>   | <b>30,782</b>          | <b>17,474</b>          |

**Note**

JFC Finance (India) Limited has decided to opt for the New Tax Regime inserted as per section 115BAA of the Income Tax Act, 1961 and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') which is applicable from Financial Year beginning April 1, 2019. Accordingly the Company has applied the 25.168% tax rates in the financial statements for the year ended March 31, 2023 and March 31, 2022.

**Note 13**
**OTHER NON FINANCIAL LIABILITIES**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| Advance received for acquiring assets              | -                      | 26,000                 |
| Performance Security Deposits                      | 5,018                  | 1,99,819               |
| Expenses Payable                                   | 2,707                  | 1,037                  |
| Statutory taxes payable                            | 727                    | 335                    |
| Amount Payable (received on behalf of third party) | -                      | 22,509                 |
| Revenue (Interest Income) Received in Advance      | 1,013                  | 903                    |
| Other Payables/Advances                            | -                      | 90                     |
| <b>Total</b>                                       | <b>9,464</b>           | <b>2,50,693</b>        |

**JFC FINANCE (INDIA) LIMITED**
**Note 14**

Amount in ₹ '000 except per share data

|   | As at 31st<br>March, 2023 |                 | As at 31st<br>March, 2022 |                 |
|---|---------------------------|-----------------|---------------------------|-----------------|
|   | <b>Share capital</b>      |                 |                           |                 |
| <b>Authorised</b>   |                           |                 |                           |                 |
| 45,00,000 (31 March 2022- 45,00,000) Equity Shares of Rs. 10 each   |                           | 45,000          |                           | 45,000          |
| 1,350 (31 March 2022 -1,350) 0.01% Compulsorily Convertible Preference Shares of Rs.1,00,000 each                 |                           | 1,35,000        |                           | 1,35,000        |
| <b>Total</b>  |                           | <b>1,80,000</b> |                           | <b>1,80,000</b> |
| <b>Issued, Subscribed and Fully Paid up</b>   |                           |                 |                           |                 |
| 33,91,710 (31 March 2022- 33,91,710) Equity Shares of Rs. 10 each, Fully Paid up                                  |                           | 33,917          |                           | 33,917          |
| 1,315 (31 March 2022- 1,315) 0.01% Compulsorily Convertible Preference Shares of Rs.1,00,000 Each, Fully Paid Up. |                           | 1,31,500        |                           | 1,31,500        |
| <b>Total</b>  |                           | <b>1,65,417</b> |                           | <b>1,65,417</b> |

**a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period**

| Equity Shares                      | 31-Mar-23        |        | 31-Mar-22        |        |
|------------------------------------|------------------|--------|------------------|--------|
|                                    | Number of shares | Amount | Number of shares | Amount |
| At the beginning of the year       | 33,91,710        | 33,917 | 33,91,710        | 33,917 |
| Add: Issued during the year        | -                | -      | -                | -      |
| Outstanding at the end of the year | 33,91,710        | 33,917 | 33,91,710        | 33,917 |

**b. Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to same right in all respect.

**c. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the reporting period**

| Compulsorily Convertible Preference Shares | 31-Mar-23        |          | 31-Mar-22        |          |
|--|------------------|----------|------------------|----------|
|  | Number of shares | Amount   | Number of shares | Amount   |
| At the beginning of the year               | 1,315            | 1,31,500 | 1,315            | 1,31,500 |
| Add: Issued during the year                | -                | -        | -                | -        |
| Outstanding at the end of the year         | 1,315            | 1,31,500 | 1,315            | 1,31,500 |

**d. Terms/ rights attached to preference shares**

The Company has only one class of preference shares having par value of Rs. 100,000 per share. Each holder of preference share is entitled to same right in all respect. All such preference shares shall carry 0.01 % right to dividend (Non-Cummulative) and convertible within 10 Years. They shall be compulsorily converted into Equity shares "B" which shall carry voting rights to the extent of 10% of face value of Equity Share "B".

**e. Details of shareholders holding more than 5% of equity shares with voting right in company**

| Name of shareholders                   | 31-Mar-23        |          | 31-Mar-22        |          |
|--|------------------|----------|------------------|----------|
|  | Number of shares | %holding | Number of shares | %holding |
| Turnaround Consultants Private Limited | 14,75,460        | 43.50%   | 14,75,460        | 43.50%   |
| Sopan Securities Private Limited       | 6,93,250         | 20.44%   | 6,93,250         | 20.44%   |
| Dashmesh Leasing Private Limited       | 2,12,500         | 6.27%    | 2,12,500         | 6.27%    |
| Uma Srinivasan                         | 2,00,000         | 5.90%    | 2,00,000         | 5.90%    |
| Susrimat Consultants Private Limited   | 189,750          | 5.59%    | 1,89,750         | 5.59%    |
| Zircon Petrochem Private Limited       | 175,915          | 5.19%    | 62,535           | 1.84%    |

**f. Shareholding of Promoters**

| Promoter name                          | Shares held by promoters at the end of the year |               |                   | % Change during the year |
|--|---|---------------|-------------------|--------------------------|
|  | Year ended                                      | No. of Shares | % of Total Shares |                          |
| Turnaround Consultants Private Limited | As at Mar 31, 2023                              | 1,475,460     | 43.50%            | -                        |
|  | As at Mar 31, 2022                              | 1,475,460     | 43.50%            | -                        |
| Susrimat Consultants Private Limited   | As at Mar 31, 2023                              | 189,750       | 5.59%             | -                        |
|  | As at Mar 31, 2022                              | 189,750       | 5.59%             | -                        |

**g. Details of shareholders holding more than 5% of compulsorily convertible preference shares.**

| Name of shareholders        | 31-Mar-23        |          | 31-Mar-22        |          |
|-----------------------------|------------------|----------|------------------|----------|
|                             | Number of shares | %holding | Number of shares | %holding |
| Avtar Installments Pvt Ltd. | 800              | 60.84%   | 800              | 60.84%   |
| Fortune Metals Limited      | 300              | 22.81%   | 300              | 22.81%   |
| Romesh Kumar Aggarwal       | 150              | 11.41%   | 150              | 11.41%   |

Note- Compulsory convertible preference shares are treated as equity as per Ind AS 32 .

**JFC FINANCE (INDIA) LIMITED**

| Particulars  | Amount in ₹ '000       |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Note 15</b>   |                        |                        |
| <b>OTHER EQUITY</b>  |                        |                        |
| <b>Retained Earnings</b>                                   |                        |                        |
| Balance at the beginning of the year                       | 37,176                 | 34,708                 |
| Ind As Adjustments   |                        |                        |
| Profit / (Loss) for the year                               | 13,704                 | 3,085                  |
| Other Comprehensive income for the year                    | -                      | -                      |
| Transfer to Statutory Reserve                              | -2,741                 | -617                   |
| <b>Balance at the end of the Year</b>                      | <b>48,139</b>          | <b>37,176</b>          |
| <b>Securities Premium</b>                                  |                        |                        |
| Balance at the beginning of the year                       | 4,66,935               | 4,66,935               |
| Add: On issue of Equity Shares                             | -                      | -                      |
| <b>Balance at the end of the Year</b>                      | <b>4,66,935</b>        | <b>4,66,935</b>        |
| <b>Statutory Reserve</b>                                   |                        |                        |
| Balance at the beginning of the year                       | 24,867                 | 24,250                 |
| Transferred during the year                                | 2,741                  | 617                    |
| <b>Balance at the closing of the year</b>                  | <b>27,608</b>          | <b>24,867</b>          |
| <b>Compulsory Convertible Debentures (CCDs)- Unsecured</b> |                        |                        |
| Balance at the beginning of the year                       | 2,36,000               | 2,36,000               |
| Add: Issued during the year                                | -                      | -                      |
| <b>Balance at the end of the Year</b>                      | <b>2,36,000</b>        | <b>2,36,000</b>        |
| <b>FVTOCI Reserve</b>                                      |                        |                        |
| Balance at the beginning of the year                       | 57,320                 | -191                   |
| Add/ Less: Movement during the year (Net of tax)           | 45,946                 | 57,512                 |
| <b>Balance at the end of the Year</b>                      | <b>103,266</b>         | <b>57,320</b>          |
| <b>Total Other Equity</b>                                  | <b>881,949</b>         | <b>822,298</b>         |

**Note:**

FVTOCI represents the movement of fair value of investments which are categorised at Fair value through other comprehensive income.

**JFC FINANCE (INDIA) LIMITED****Note 16- INTEREST INCOME**

Amount in ₹ '000

| Particulars   | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| <b>On Financial assets measured at amortised cost</b> |                                     |                                     |
| Interest on Loan                                      | 23,967                              | 28,400                              |
| Interest on FDR                                       | 4,528                               | 969                                 |
| <b>Total interest income</b>                          | <b>28,495</b>                       | <b>29,369</b>                       |

**Note 17****FEES AND COMMISSION INCOME**

| Particulars           | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-----------------------|-------------------------------------|-------------------------------------|
| Fees on Loans         | 100                                 | 612                                 |
| Professional Receipts | 1,271                               | -                                   |
| <b>TOTAL FEES</b>     | <b>1,371</b>                        | <b>612</b>                          |

**Note 18****OTHER INCOME**

| Particulars  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Other non operating income                                 | -                                   | 282                                 |
| Liability Written-Off #1                                   | 1,94,811                            | -                                   |
| Profit on Sale/Redemption of Financial Assets #2           | 26,208                              | 62,475                              |
| Profit on Sale Fixed Assets                                | 28                                  | -                                   |
| Profit on Sale Shares#3                                    | 4,995                               | -                                   |
| Rental from property                                       | 220                                 | 180                                 |
| Change in the Provision for Dimminution In Value of Assets | 304                                 | -                                   |
| <b>Total</b>   | <b>226,566</b>                      | <b>62,937</b>                       |

#1 During the financial year 2022-23, the Company has written off the liability of Rs.19,48,11,470/- as per the provisions of The Limitation Act, 1963 as the amount was outstanding since for more than three years (Previous financial year 2021-22 Nil).

#2 During the financial year 2022-23, the Company has made a profit of Rs.2,62,07,922/- on sale/redemption of its investments in financial assets in various security receipts of Alchemist Assets Reconstruction Company Limited - Trust (Previous financial year 2021-22 Rs.6,24,75,349).

#3 During the financial year 2022-23, the Company has made a profit of Rs.49,94,527/- on sale of equity shares held as investments for a total sale consideration of Rs.1,12,79,149/- costing Rs.62,84,622/- (Previous financial year 2021-22 Nil)

**Note 19****FINANCE COST**

| Particulars  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| <b>On financial liabilities measured at amortised cost</b> |                                     |                                     |
| Interest on borrowings                                     | 179                                 | 6,055                               |
| <b>Total</b>   | <b>179</b>                          | <b>6,055</b>                        |

**JFC FINANCE (INDIA) LIMITED****Note 20****EMPLOYEE BENEFIT EXPENSES**

Amount in ₹ '000

| Particulars   | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------|-------------------------------------|-------------------------------------|
| Salary        | 8,495                               | 6,937                               |
| Staff welfare | 189                                 | 152                                 |
| <b>Total</b>  | <b>8,685</b>                        | <b>7,089</b>                        |

**Note 21****OTHER EXPENSES**

| Particulars                        | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Legal and professional fees#1      | 9,916                               | 4,391                               |
| Rate, fees & taxes                 | 49                                  | -                                   |
| Insurance                          | 14                                  | 27                                  |
| Bank Charges                       | 5                                   | 5                                   |
| BSE Expenses                       | 90                                  | 84                                  |
| Vehicle running & maintenance      | 113                                 | 175                                 |
| Conveyance                         | 96                                  | 233                                 |
| Electricity Exps                   | 42                                  | 20                                  |
| Printing & Stationery              | 182                                 | 138                                 |
| Tour and Travel                    | 119                                 | 56                                  |
| Office Expenses                    | 572                                 | 549                                 |
| Photostat Expenses                 | 61                                  | 42                                  |
| Repair & Maintainance              | 172                                 | 163                                 |
| Business Promotion                 | 66                                  | 54                                  |
| Interest on Income Tax, TDS        | 14                                  | 194                                 |
| Festival Expenses                  | 103                                 | 207                                 |
| Telephone Expenses                 | 26                                  | 34                                  |
| Director fees                      | 131                                 | 0                                   |
| Postage & Courier                  | 11                                  | 43                                  |
| Advertisement                      | 71                                  | 66                                  |
| Miscellaneous Expenses             | 166                                 | 71                                  |
| Property Tax                       | 31                                  | 33                                  |
| Loss on sale of financial assets#2 | 2,06,763                            | 48,476                              |
| Loss on sale of shares             | 640                                 | -                                   |
| Expected Credit Allowance#3        | 9,157                               | 363                                 |
| CSR Expenses                       | 385                                 | -                                   |
| <b>Total</b>                       | <b>228,995</b>                      | <b>55,423</b>                       |

**#1 includes payments to auditor:**

|                          |            |           |
|--------------------------|------------|-----------|
| -For Statutory Audit Fee | 75         | 75        |
| -For Tax Audit fee       | 10         | 10        |
| -For Others Matters      | 130        | -         |
|                          | <b>215</b> | <b>85</b> |

The Company also incurred other legal and professional expenses for its general business purpose.

#2 During the financial year 2022-23, the Company had sold its financial assets held as Security Receipts of various Alchemist Assets Reconstruction Company Limited - Trust costing Rs.49,17,63,104/- for Rs.28,50,00,000/- resulting in loss of Rs.20,67,63,104/- (Previous year 2021-22, the Company had sold its financial assets held as Security Receipts of various Alchemist Assets Reconstruction Company Limited - Trust costing Rs.11,99,76,000/- for Rs.7,15,00,000/- resulting in loss of Rs.4,84,76,000/-

#3 The Company had made provisions towards loan assets as per RBI norms for Company's standard/substandard/NPA loan assets.

**JFC FINANCE (INDIA) LIMITED**

**Note 22**

**Amount in ₹ '000 except per share data**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.  
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.  
The following data reflects the inputs to calculation of basic and diluted EPS

| Particulars  | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
| Net Profit/(loss) for the year attributable to equity shareholders                       | 13,704           | 3,086            |
| Total number of equity shares outstanding at the beginning of the year                   | 33,91,710        | 33,91,710        |
| Total number of equity shares allotted during the year                                   |                  |                  |
| Weighted average number of equity shares issued during the year                          |                  |                  |
| Weighted average number of equity shares used as denominator for calculating Basic EPS   | 33,91,710        | 33,91,710        |
| Weighted number of dilutive shares used as denominator for calculating Diluted EPS       | 44,98,889        | 45,04,993        |
| <b>Reconciliation of weighted average number of shares outstanding:</b>                  |                  |                  |
| Weighted Average number of Equity Shares used as denominator for calculating Basic EPS   | 33,91,710        | 33,91,710        |
| Total Weighted Average Potential Equity Shares   | 11,07,179        | 11,13,283        |
| Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | 44,98,889        | 45,04,993        |
| Face value per equity share  | 10.00            | 10.00            |
| Earnings/(loss) per equity share (in Rupees)   | 4.04             | 0.91             |
| Dilutive Earnings/(loss) per equity share (in Rupees)                                    | 3.05             | 0.69             |

**Note 23**

| (a) Disclosure of contingent liabilities                                      | 31st March, 2023 | 31st March, 2022 |
|---|------------------|------------------|
| (i) Estimated amount of contract remaining to be executed on Capital Account. | Nil              | Nil              |
| (ii) Claims against the company not acknowledged as debts                     | Nil              | Nil              |

(b) Details of legal suits filed against the defaulters by JFC Finance (India) Ltd. till the date of signing of these financials as under:

| S.No. | Name                 | Judicial Authority         | Reference  |
|-------|----------------------|----------------------------|--|
| 1     | Ajit Solar Pvt. Ltd. | Hon'ble NCLT, Jaipur Bench | CP(IB)-69/77/PR/2019, Filed under section 7 of the Insolvency and Bankruptcy Code, 2016 and the application for liquidation is filed. The matter is pending. |

(c) Previous years' figures have been recasted/ regrouped wherever required.

**JFC FINANCE (INDIA) LIMITED**

**Note 24**

**Financial Instrument Measurement and Disclosures**

Amount in ₹ '000

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value.

|  | Carrying Value |               | Fair Value    |               |
|--|----------------|---------------|---------------|---------------|
|  | 31 March 2023  | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| <b>FINANCIAL ASSETS</b>                                  |                |               |               |               |
| <b>Financial assets measured at amortised cost</b>       |                |               |               |               |
| Investments (Excluding Investment in Subsidiary Company) | 6,81,345       | 7,05,091      | 6,81,345      | 7,05,091      |
| Cash & Cash Equivalents                                  | 60,615         | 91,512        | 60,615        | 91,512        |
| Loans  | 3,10,582       | 2,96,033      | 3,10,582      | 2,96,033      |
| Trade Receivables  | 21,264         | 15,088        | 21,264        | 15,088        |
| Other financial assets                                   | 2,20,688       | 3,22,345      | 2,20,688      | 3,22,345      |

|   | Carrying Value |               | Fair Value    |               |
|---|----------------|---------------|---------------|---------------|
|   | 31 March 2023  | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| <b>FINANCIAL LIABILITIES</b>            |                |               |               |               |
| <b>Financial liabilities</b>            |                |               |               |               |
| Debt securities                         | 2,50,000       | 2,50,000      | 2,50,000      | 2,50,000      |
| Borrowings (Other than debt securities) | -              | 8,500         | -             | 8,500         |
| Other financial liabilities             | -              | -             | -             | -             |

The management assessed that cash and cash equivalents, other bank balances approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For financial assets and liabilities that are measured at fair value the carrying amounts are equal to the fair values.

The Financial assets above don't include investment in associates which are measured at cost in accordance with IndAS 101 and Ind AS 27.

**The following methods and assumptions were used to estimate the fair value**

(i) The fair values of the unquoted equity shares have been estimated using a Cost approach. The valuation requires management to make certain assumptions about the model inputs, including Financial Statements, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

|                                      | Valuation technique | Significant unobservable inputs                | Sensitivity of the input to fair value  |
|--------------------------------------|---------------------|--|---|
| <b>As on 31 March 2023</b>           |                     |  |   |
| Investment in Unquoted equity shares | Cost Method         | Financial Statements, Credit Risk & Volatility | Increase in Net Assets Value by 0.50% would result in increase in fair value by INR 34,94,727 and Decrease in Net Assets Value by 0.50% would result in decrease in fair value by INR 34,94,727 respectively. |
| <b>As on 31 March 2022</b>           |                     |  |   |
| Investment in Unquoted equity shares | Cost Method         | Financial Statements, Credit Risk & Volatility | Increase in Net Assets Value by 0.50% would result in increase in fair value by INR 41,72,707 and Decrease in Net Assets Value by 0.50% would result in decrease in fair value by INR 41,72,707 respectively. |



**JFC FINANCE (INDIA) LIMITED**

**Fair value hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorises assets and liabilities measured at fair value in to one of three levels depending on the ability to observe inputs employed in their measurement which are described

**i) Level 1**

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**ii) Level 2**

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

**iii) Level 3**

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing market participants.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Financial Assets measured at amortized cost for which fair value are disclosed  
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023**

|   | Date of valuation | Total    | Fair value measurement using              |   |   |
|---|-------------------|----------|---|---|---|
|   |                   |          | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Financial assets for which fair values are disclosed</b> |                   |          |   |   |   |
| Financial assets  |                   |          |   |   |   |
| Investments   | 31-Mar-23         | 6,81,345 | 1,31,949                                  | -                                       | 5,49,396                                  |
| Loans   | 31-Mar-23         | 3,10,582 | -   | 3,10,582                                | -   |
| Trade Receivables   | 31-Mar-23         | 21,264   | -   | 21,264                                  | -   |
| Other financial assets                                      | 31-Mar-23         | 2,20,688 | -   | 2,20,688                                | -   |

**Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2023**

|  | Date of valuation | Total    | Fair value measurement using              |   |   |
|--|-------------------|----------|---|---|---|
|  |                   |          | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Liabilities for which fair values are disclosed</b> |                   |          |   |   |   |
| Financial liabilities                                  |                   |          |   |   |   |
| Debt securities  | 31-Mar-23         | 2,50,000 | -   | 2,50,000                                | -   |
| Borrowings (Other than debt securities)                | 31-Mar-23         | -        | -   | -                                       | -   |
| Other financial liabilities                            | 31-Mar-23         | -        | -   | -                                       | -   |

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022**

|   | Date of valuation | Total    | Fair value measurement using              |   |   |
|---|-------------------|----------|---|---|---|
|   |                   |          | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Financial assets for which fair values are disclosed</b> |                   |          |   |   |   |
| Financial assets  |                   |          |   |   |   |
| Investments   | 31-Mar-22         | 7,05,091 | 85,769                                    | -                                       | 6,19,322                                  |
| Loans   | 31-Mar-22         | 2,96,033 | -   | 2,96,033                                | -   |
| Trade Receivables   | 31-Mar-22         | 15,088   | -   | 15,088                                  | -   |
| Other financial assets                                      | 31-Mar-22         | 3,22,345 | -   | 3,22,345                                | -   |

**JFC FINANCE (INDIA) LIMITED**

**Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2022**

|  | Date of valuation | Total    | Fair value measurement using              |   |   |
|--|-------------------|----------|---|---|---|
|  |                   |          | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|  |                   |          |   |   |   |
| <b>Liabilities for which fair values are disclosed</b> |                   |          |   |   |   |
| <b>Financial liabilities</b>                           |                   |          |   |   |   |
| Debt securities  | 31-Mar-22         | 2,50,000 | -   | 2,50,000                                | -   |
| Borrowings (Other than debt securities)                | 31-Mar-22         | 8,500    | -   | 8,500                                   | -   |
| Other financial liabilities                            | 31-Mar-22         | -        | -   | -                                       | -   |

**Note 25**

**Financial risk management objectives and policies**

The Company's financial liabilities comprise borrowings, and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Loans given, Investments, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management reviews and agrees policies for managing each of these risks, which are summarized below:-

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

**a.) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have an material exposure to the risk of changes in market interest rates.

**Interest rate sensitivity**

The Company does not have an material interest rate risk accordingly sensitivity analysis is not applicable.

**b.) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have an exposure to the risk of changes in foreign exchange rates.

**Foreign currency sensitivity**

The Company does not have an exposure to the risk of changes in foreign exchange rates accordingly, the Foreign currency sensitivity is not applicable.

**Credit risk**

(a) Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to financial loss. The Company is exposed to credit risk from the financial assets/ Receivables.

| Particulars                                   | Amount in ₹ '000     |                      |
|---|----------------------|----------------------|
|   | 31 March 2023        | 31 March 2022        |
| Gross Carrying Value                          | 3,21,499             | 2,97,792             |
| Impairment Allowance                          | 10,916               | 1,759                |
| ECL Coverage Ratio                            | 3.40                 | 0.59                 |
| <b>Reconciliation of Impairment Allowance</b> | <b>31 March 2023</b> | <b>31 March 2022</b> |
| Opening Balance Sheet                         | 1,759                | 1,396                |
| Provisions made / (Reversed) during the year  | 9,157                | 363                  |
| <b>Closing Balance</b>                        | <b>10,916</b>        | <b>1,759</b>         |



**JFC FINANCE (INDIA) LIMITED****Liquidity risk**

The company monitors its risk of shortage of funds by estimating future cashflows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Borrowings and equity shares. The Company attempts to ensure that there is a balance between the timing of outflow and inflow of funds. The Company is not subject to any restrictions on the use of its capital that could significantly impact its operations. In light of these facilities, the Company is not exposed to any liquidity risk.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| Particulars                             | Amount in ₹ '000 |                      |                       |                     |                     |              |
|---|------------------|----------------------|-----------------------|---------------------|---------------------|--------------|
|   | On demand        | < 3 months           | 3 to 12 months        | 1 to 5 years        | >5 years            | Total        |
| <b>Year ended 31 March 2023</b>         |                  |                      |                       |                     |                     |              |
| Debt securities                         | -                | -                    | -                     | -                   | 2,50,000            | 2,50,000     |
| Borrowings (Other than debt securities) | -                | -                    | -                     | -                   | -                   | -            |
| Other financial liabilities             | -                | -                    | -                     | -                   | -                   | -            |
|   | -                | -                    | -                     | -                   | 250,000             | 2,50,000     |
| <b>Particulars</b>                      | <b>On demand</b> | <b>&lt; 3 months</b> | <b>3 to 12 months</b> | <b>1 to 5 years</b> | <b>&gt; 5 years</b> | <b>Total</b> |
| <b>Year ended 31 March 2022</b>         |                  |                      |                       |                     |                     |              |
| Debt securities                         | -                | -                    | -                     | -                   | 2,50,000            | 2,50,000     |
| Borrowings (Other than debt securities) | -                | -                    | 8,500                 | -                   | -                   | 8,500        |
| Other financial liabilities             | -                | -                    | -                     | -                   | -                   | -            |
|   | -                | -                    | 8,500                 | -                   | 2,50,000            | 2,58,500     |

## JFC FINANCE (INDIA) LIMITED

### Note 26 (a)

#### Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt and borrowings (including current maturities of long term debts) less cash and cash equivalents.

Amount in ₹ '000

|                                 | 31 March 2023    | 31 March 2022    |
|---------------------------------|------------------|------------------|
| Borrowings                      | 2,50,000         | 2,58,500         |
| Less: Cash and cash equivalents | 60,615           | 91,512           |
| <b>Net debt (A)</b>             | <b>1,89,385</b>  | <b>3,50,012</b>  |
| Equity                          | 10,47,367        | 9,87,716         |
| <b>Capital and net debt (B)</b> | <b>12,36,752</b> | <b>13,37,729</b> |
| <b>Gearing ratio [(A)/(B)]</b>  | <b>15.31%</b>    | <b>26.16%</b>    |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2023.

JFC FINANCE (INDIA) LIMITED

Note-26(b)

The key ratios for the years ended March 31, 2023 and March 31, 2022 as per regulatory requirements are as follows:

| Particulars                                     | Numerator                                       | Denominator                               | As as 31 March, |                | Variance (in %) | Reasons for more than 25% variance  |
|---|---|---|-----------------|----------------|-----------------|---|
|   |   |   | 2023            | 2022           |                 |   |
| <b>Current ratio (times)</b>                    | <b>Current assets</b>                           | <b>Current liabilities</b>                | -               | -              | -               |   |
| 2023  | -   | -   |                 |                |                 |   |
| 2022  | -   | -   |                 |                |                 |   |
| <b>Debt - Equity ratio (times)</b>              | <b>Paid up Debt Capital</b>                     | <b>Shareholder's equity</b>               | -               | -              | -               |   |
| 2023  | -   | -   |                 |                |                 |   |
| 2022  | -   | -   |                 |                |                 |   |
| <b>Debt service coverage ratio</b>              | <b>Earnings available for debt service</b>      | <b>Debt service</b>                       | -               | -              | -               |   |
| 2023  | -   | -   |                 |                |                 |   |
| 2022  | -   | -   |                 |                |                 |   |
| <b>Return on Equity (RoE) (in %)</b>            | <b>Net profits after taxes</b>                  | <b>Average shareholder's equity*</b>      | <b>1.35%</b>    | <b>0.32%</b>   | <b>317.81%</b>  | Due to increase in profit in the current year compared with previous year, RoE in the current year has been increased.        |
| 2023  | 13,704  | 1,017,542                                 |                 |                |                 |   |
| 2022  | 3,086   | 957,418                                   |                 |                |                 |   |
| <b>Inventory turnover ratio</b>                 | <b>Cost of Goods Sold</b>                       | <b>Average Inventory</b>                  | -               | -              | -               |   |
| 2023  | -   | -   |                 |                |                 |   |
| 2022  | -   | -   |                 |                |                 |   |
| <b>Trade receivables turnover ratio</b>         | <b>Revenue from operations</b>                  | <b>Average trade receivable</b>           | <b>1.64</b>     | <b>1.63</b>    | <b>0.61%</b>    |   |
| 2023  | 29,867  | 18,176                                    |                 |                |                 |   |
| 2022  | 29,981  | 18,357                                    |                 |                |                 |   |
| <b>Trade payables turnover ratio</b>            | <b>Purchases of services and other expenses</b> | <b>Average trade payables</b>             | -               | -              | -               |   |
| 2023  | -   | -   |                 |                |                 |   |
| 2022  | -   | -   |                 |                |                 |   |
| <b>Net capital turnover ratio (in %)</b>        | <b>Revenue from operations</b>                  | <b>Working capital</b>                    | -               | -              | -               |   |
| 2023  | -   | -   |                 |                |                 |   |
| 2022  | -   | -   |                 |                |                 |   |
| <b>Net profit ratio (in %)</b>                  | <b>Net profit</b>                               | <b>Total Revenue</b>                      | <b>5.34%</b>    | <b>3.32%</b>   | <b>60.90%</b>   | Due to increase in profit in the current year compared with previous year, NP ratio in the current year has been increased.   |
| 2023  | 13,704  | 256,433                                   |                 |                |                 |   |
| 2022  | 3,086   | 92,918                                    |                 |                |                 |   |
| <b>Return on Capital Employed (RoCE) (in %)</b> | <b>Earning before interest and taxes (EBIT)</b> | <b>Capital employed**</b>                 | <b>1.74%</b>    | <b>3.03%</b>   | <b>-42.58%</b>  | Due to decrease in EBIT in the current year as compared with previous year, current year RoCE is decreased.                   |
| 2023  | 18,203  | 1,047,367                                 |                 |                |                 |   |
| 2022  | 29,893  | 987,716                                   |                 |                |                 |   |
| <b>Return on Investment (in %) (RoI)</b>        | <b>Income generated from investments</b>        | <b>Average investments</b>                | <b>4.30%</b>    | <b>6.78%</b>   | <b>-36.55%</b>  | Due to decrease in Income from investments in the current year as compared with previous year, current year RoI is decreased. |
| 2023  | 31,507  | 732,893                                   |                 |                |                 |   |
| 2022  | 62,475  | 922,136                                   |                 |                |                 |   |
| <b>CRAR (in %)</b>                              | <b>Tier I Capital + Tier II Capital</b>         | <b>Total Risk Weighted Assets</b>         | <b>51.21%</b>   | <b>47.06%</b>  | <b>8.81%</b>    |   |
| 2023  | 516,994   | 1,009,528                                 |                 |                |                 |   |
| 2022  | 500,232   | 1,062,874                                 |                 |                |                 |   |
| <b>Tier I CRAR (in %)</b>                       | <b>Tier I Capital</b>                           | <b>Total Risk Weighted Assets</b>         | <b>51.21%</b>   | <b>47.06%</b>  | <b>8.81%</b>    |   |
| 2023  | 516,994   | 1,009,528                                 |                 |                |                 |   |
| 2022  | 500,232   | 1,062,874                                 |                 |                |                 |   |
| <b>Tier II CRAR (in %)</b>                      | <b>Tier II Capital</b>                          | <b>Total Risk Weighted Assets</b>         | -               | -              | -               |   |
| 2023  | -   | -   |                 |                |                 |   |
| 2022  | -   | -   |                 |                |                 |   |
| <b>Liquidity Coverage Ratio (in %)</b>          | <b>High Quality Liquid Assets Amount</b>        | <b>Total Net Cash Flow for 30 Days***</b> | <b>2940.00%</b> | <b>262.15%</b> | <b>1021.48%</b> | Due to decrease in net cash flows in the current year, this ratio is increased in the current year.                           |
| 2023  | 60,615  | 2,062                                     |                 |                |                 |   |
| 2022  | 91,512  | 34,908                                    |                 |                |                 |   |

\* Shareholders equity formula is total assets minus financial/non financial liabilities.

\*\* Capital employed formula is total assets minus financial/non financial liabilities.

\*\*\* Total net cash flows for 30 days arrived by dividing the operating cash flows for respective year by 12.

**JFC FINANCE (INDIA) LIMITED****Note-26(c)**

Amount in ₹ '000 except per share data

The regulatory disclosures for the years ended March 31, 2023 and March 31, 2022 as per regulatory requirements are as follows:

**Willful Defaulter**

The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2023 and March 31, 2022.

**Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.

**Registration of Charges**

There is no charge pending for registration till 31.03.2023.

**Details of Benami Property Held**

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

**Relationship with Struck off Companies**

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022 are given below:

| Name of the Company       | 31.03.2023                               | 31.03.2022 | Relationship |
|---------------------------|--|------------|--------------|
| Malani Infracon Pvt. Ltd. | Holding 65000 Equity Shares of Rs10 each |            | Shareholder  |
| Isika Infracon Pvt. Ltd.  | Holding 32500 Equity Shares of Rs10 each |            | Shareholder  |
| Divya Infracon Pvt. Ltd.  | Holding 65000 Equity Shares of Rs10 each | N.A.       | Shareholder  |

**Corporate Social Responsibility**

During the year, the Company spent Rs.3,85,000/- in line with CSR objectives.

**Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (B7) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

**Compliance with approved Scheme(s) of Arrangements**

No Scheme of Arrangements has been applicable in terms of sections 230 to 237 of the Companies Act, 2013. Therefore, no disclosure is required in this regard.

**Undisclosed Income**

There are no transactions not recorded in the books of accounts.

**Events after reporting date**

There have been no events after the reporting date.

**Expenditure or Income in foreign currency**

There are no income or expenditure in foreign currency in the current as well as previous year.

**Utilisation of Borrowed funds and share premium**

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties**

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties, which are repayable on demand or without specifying any terms or period of repayment.

**Ratings assigned by credit rating agencies and migration of ratings during the year**

| Instruments                | Credit rating agency              | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------|-----------------------------------|----------------------|----------------------|
| Non Convertible Debentures | Brickwork Ratings India Pvt. Ltd. | Not Available        | BWR C+               |

**JFC FINANCE (INDIA) LIMITED**

**Notes 27**

**Related party relationships, transactions and balances**

In accordance with the requirements of Ind AS-24 'Related Party Disclosures', names of the related parties, related party relationships, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported periods are:

**i) Subsidiary Company**

Hotel Gaudavan Private Limited (HGPL)  
 #JFC Finance (India) Ltd. ("JFC") acquired HGPL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 vide order dated 13.12.2017. During the F/y 2018-19, JFC has subscribed for 5,00,11,171 equity shares @Rs.1 per share which are consolidated into Rs.10 per share and during the F/y 2021-22, JFC also purchased 10,00,000 equity shares of HGPL, thereby making HGPL as a wholly owned subsidiary.

**ii) Persons having substantial interest**

Turnaround Consultants Pvt. Ltd.- Holding [TCPL] -43.50%  
 Sopan Securities Pvt. Ltd.- Holding [SSPL]-20.44 %

**iii) Key Managerial Personnel (KMP)/Directors**

|  |                         |
|--|-------------------------|
| Mr. Sunil Kumar                                    | Director                |
| Mr. Vijay Kumar Chopra                             | Director                |
| Mr. Tanpreet Singh Kohli                           | Director                |
| Mr. Vikas Gupta                                    | Director                |
| Mr. Vikram Jeet Rana                               | Chief Financial Officer |
| Mr. Jatin Chopra (Mar-2022 begin date till May-22) | Company Secretary       |
| Mr. Ronit (Aug-2022 begin date till Sept-22)       | Company Secretary       |
| Ms. Shruti Jain (Begin date March-23)              | Company Secretary       |

**iv) Enterprises over which key management personnel or their relatives exercise significant influence**

Sustimat Consultants Private Limited [SCPL]

**v) Other Related Parties**

Mr. Dhanaajay Gaitan

Independent Director of the Company

| Particulars                        | Amount in ₹ '000 |           |
|------------------------------------|------------------|-----------|
|                                    | 31-Mar-23        | 31-Mar-22 |
| <b>Balances Outstanding as on:</b> |                  |           |
| Turnaround Consultants Pvt. Ltd.   | 8                | 8         |
| Hotel Gaudavan Pvt. Ltd.           | 148,738          | 236,538   |
| Mr. Vijay Kumar Chopra             |                  |           |
| Payable- Remuneration              | 48               | 50        |
| Mr. Dhanaajay Gaitan               |                  |           |
| Payable- Remuneration & Fee        | 108              | 90        |
| Mr. Sunil Kumar                    |                  |           |
| Payable- Remuneration              | 40               | 40        |
| Mr. Tanpreet Singh Kohli           |                  |           |
| Payable- Fee                       | 18               | -         |
| Mr. Vikas Gupta                    |                  |           |
| Payable- Fee                       | 18               | -         |
| Mr. Vikram Jeet Rana               |                  |           |
| Payable- Remuneration              | 77               | 100       |
| Ms. Shruti Jain                    |                  |           |
| Payable- Remuneration              | 45               | -         |
| Mr. Jatin Chopra                   |                  |           |
| Payable- Remuneration              | -                | 36        |



| Particulars   | Subsidiary Company |           | Key managerial personnel |           | Relatives of Key Management Personnel |           | Enterprises over which Key Management Personnel or their relatives exercise significant influence or having significant influence over the company and other Related Parties |           | Amount in ₹ '000 |           |
|---|--------------------|-----------|--------------------------|-----------|---------------------------------------|-----------|--|-----------|------------------|-----------|
|   | 31-Mar-23          | 31-Mar-22 | 31-Mar-23                | 31-Mar-22 | 31-Mar-23                             | 31-Mar-22 | 31-Mar-23  | 31-Mar-22 | 31-Mar-23        | 31-Mar-22 |
|   |                    |           |                          |           |                                       |           |  |           |                  |           |
| <b>Transactions with related parties</b>                  |                    |           |                          |           |                                       |           |  |           |                  |           |
| Payments made regarding Loan Given                        |                    |           |                          |           |                                       |           |  |           |                  |           |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                                     | -         | -  | 200       | -                | 200       |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | -  | 10,000    | -                | 10,000    |
| Hotel Gaudavan Pvt. Ltd.                                  | 82,200             | 213,400   | -                        | -         | -                                     | -         | -  | -         | 82,200           | 213,400   |
| <b>Receipts from Loan Given</b>                           |                    |           |                          |           |                                       |           |  |           |                  |           |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                                     | -         | -  | 400       | -                | 400       |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | 198  | 517       | 198              | 517       |
| Hotel Gaudavan Pvt. Ltd.                                  | 170,000            | 30,000    | -                        | -         | -                                     | -         | -  | -         | 170,000          | 30,000    |
| <b>Interest Receivable due on Loans Given</b>             |                    |           |                          |           |                                       |           |  |           |                  |           |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                                     | -         | -  | 2,122     | -                | 2,122     |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | -  | 1,952     | -                | 1,952     |
| <b>Interest Received on Loans Given</b>                   |                    |           |                          |           |                                       |           |  |           |                  |           |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | -  | 995       | -                | 995       |
| <b>Conversion of Loan Given &amp; Interest into CCD's</b> |                    |           |                          |           |                                       |           |  |           |                  |           |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                                     | -         | -  | 27,000    | -                | 27,000    |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | -  | 29,000    | -                | 29,000    |
| <b>Sale of CCD</b>  |                    |           |                          |           |                                       |           |  |           |                  |           |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | 2,363  | -         | 2,363            | -         |
| <b>Purchase of CCD</b>                                    |                    |           |                          |           |                                       |           |  |           |                  |           |
| Susmat Consultants Pvt. Ltd.                              | -                  | -         | -                        | -         | -                                     | -         | -  | 1,000     | -                | 1,000     |
| <b>Rental Income due</b>                                  |                    |           |                          |           |                                       |           |  |           |                  |           |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                                     | -         | 60   | 60        | 60               | 60        |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | 60   | 60        | 60               | 60        |
| <b>Rental Income Received</b>                             |                    |           |                          |           |                                       |           |  |           |                  |           |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                                     | -         | 60   | 60        | 60               | 60        |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                                     | -         | 60   | 60        | 60               | 60        |
| <b>Remuneration Paid:</b>                                 |                    |           |                          |           |                                       |           |  |           |                  |           |
| Mr. Sunil Kumar   | -                  | -         | 480                      | 480       | -                                     | -         | -  | -         | 480              | 480       |
| Mr. Vijay Kumar Chopra                                    | -                  | -         | 600                      | 600       | -                                     | -         | -  | -         | 600              | 600       |
| Mr. Vikram Jeet Rana                                      | -                  | -         | 1,200                    | 1,200     | -                                     | -         | -  | -         | 1,200            | 1,200     |
| Mr. Jatin Chopra  | -                  | -         | -                        | 36        | -                                     | -         | -  | -         | -                | 36        |
| Mr. Ronit   | -                  | -         | 128                      | -         | -                                     | -         | -  | -         | 128              | -         |
| Ms. Shruti Jain   | -                  | -         | 107                      | -         | -                                     | -         | -  | -         | 107              | -         |
| <b>Directorship Fee Paid:</b>                             |                    |           |                          |           |                                       |           |  |           |                  |           |
| Mr. Tanpreet Singh Kohli                                  | -                  | -         | 40                       | -         | -                                     | -         | -  | -         | 40               | -         |
| Mr. Vikas Gupta   | -                  | -         | 40                       | -         | -                                     | -         | -  | -         | 40               | -         |
| Mr. Dhanaajay Gautam                                      | -                  | -         | 40                       | -         | -                                     | -         | -  | -         | 40               | -         |
| <b>Professional Fee Paid:</b>                             |                    |           |                          |           |                                       |           |  |           |                  |           |
| Mr. Dhanaajay Gautam                                      | -                  | -         | 1,100                    | 850       | -                                     | -         | -  | -         | 1,100            | 850       |

Note 28 a. The disclosure pursuant to the micro, small and medium enterprises development act, 2006, [MSMED Act] as at March 31, 2023 and March 31, 2022 is as under:

| S.No. | Particulars  | Amount in ₹ '000  |                   |
|-------|--|-------------------|-------------------|
|       |  | On March 31, 2023 | On March 31, 2022 |
| 1     | Principal amount remaining unpaid.   | -                 | -                 |
| 2     | Interest due thereon remaining unpaid.   | -                 | -                 |
| 3     | Interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day.  | -                 | -                 |
| 4     | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act.  | -                 | -                 |
| 5     | Interest accrued and remaining unpaid.   | -                 | -                 |
| 6     | Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises or the purpose of disallowance as a deductible expenditure under section 23. | -                 | -                 |

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

b. Corporate Social Responsibility (CSR) expenses as at March 31, 2023 and March 31, 2022 is as under:

| S.No. | Particulars   | On March 31, 2023  | On March 31, 2022 |
|-------|---|--|-------------------|
| 1     | Amount required to be spent during the year.  | 385  | -                 |
| 2     | Amount spent during the year  |  |                   |
|       | a. Amount spent on CSR projects/ Programmes   | 385  |                   |
|       | b. Amount transferred to unspent CSR account for ongoing projects of respective financial years.    | -  | -                 |
| 3     | Amount offset against CSR Liability   | -  | -                 |
| 4     | Amount of shortfall at the end of the year, out of the amount required to be spent during the year. | -  | -                 |
| 5     | Amount spent from unspent CSR during the financial year   | -  | -                 |
| 6     | Total of previous year shortfall  | -  | -                 |
| 7     | Nature of CSR activities  | Promoting education including spritual, employment skills etc. | -                 |
| 8     | Details of related party transactions.  | -  | -                 |

UDIN:23511685BGXAKW9198

As per our report of even date attached

For Sandeep Kumar Singh & Co.

Chartered Accountants

Firm Regn. No.035528N

For & on behalf of the Board of Directors

S/d-

S/d-

S/d-

S/d-

S/d-

(CA Sandeep Kumar Singh)

Membership No.511685

Proprietor

(Vijay Kumar Chopra)

Director

DIN:03462730

(Sunil Kumar)

Director

DIN:03247767

(Vikaram Jeet Rana)

Chief Financial Officer Company Secretary

PAN: ALQPR3986B

(Shruti Jain)

Company Secretary

PAN: BDBPJ0088C

Place :New Delhi

Date:29-May-2023

**CA Sandeep Kumar Singh & Co.**

**Flat No. A1-1318 Supertech Eco**

**Village 1, Sector-1, Greater**

**Noida West U.P. 201306**

**Mobile: 9911184430**

**Email id: ca.sandeepsingh1981@gmail.com**

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS,  
JFC FINANCE (INDIA) LIMITED,  
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts rounded off to Rs.'000)

**OPINION**

We have audited the accompanying consolidated financial statements of **JFC Finance (India) Limited** (hereinafter referred to as the "the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 their consolidated state of affairs of the Company as at March 31, 2023, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report and its annexure, but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially

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

#### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, if any, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary as noted in the 'other matter' we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2023 taken on record by the Board of Directors of the Company and the report of the subsidiary Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure-A**.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note on contingent liabilities to the consolidated financial statements;

ii. The Company did not have any long term contracts including derivatives contracts for which there were no material foreseeable losses;

iii. There has been no delay in transferring amounts, which was required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended 31 March 2023.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or of such subsidiary ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or of such subsidiary from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Holding Company or such subsidiary has not declared or proposed dividend during the year.

UDIN: 23511685BGXAKX9264

**For Sandeep Kumar Singh & Co.**

Chartered Accountants

Firm Regn. No. 035528N

S/d-

**(Sandeep Kumar Singh)**

Proprietor

M.No. 511685

Place : New Delhi

Dated: 29.05.2023

**ANNEXURE-A: REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

In conjunction with our audit of the consolidated financial statements of JFC Finance (India) Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of JFC Finance (India) Limited (hereinafter referred to as the “the Company”) and its subsidiary which are companies incorporated in India, as of that date.

**MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Company and its subsidiary which are companies incorporated in India, are 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. 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 respective 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 Act.

**AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company and its subsidiary which are companies incorporated in India, internal financial controls over financial reporting with reference to these consolidated financial statements 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 Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 auditor’s judgement, 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 internal financial controls system over financial reporting with reference to these consolidated financial statements.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

A Company’s internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2023, 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.

UDIN: 23511685BGXAKX9264

**For Sandeep Kumar Singh & Co.**

Chartered Accountants

Firm Regn. No. 035528N

S/d-

**(Sandeep Kumar Singh)**

Proprietor

M.No. 511685

Place : New Delhi

Dated: 29.05.2023

**JFC FINANCE (INDIA) LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023**

| Particulars   | Notes | Amount in ₹'000     |                     |
|---|-------|---------------------|---------------------|
|   |       | As at<br>31.03.2023 | As at<br>31.03.2022 |
| <b>ASSETS</b>   |       |                     |                     |
| <b>Financial assets</b>   |       |                     |                     |
| (a) Cash and Cash equivalents   | 2     | 61,955              | 97,854              |
| (b) Bank balance Other than (a) above   |       | -                   | -                   |
| (c) Receivables   |       |                     |                     |
| (i) Trade receivables   | 3     | 21,625              | 16,309              |
| (ii) Other receivables  |       | -                   | -                   |
| (d) Loans   | 4     | 3,14,291            | 2,96,033            |
| (e) Investments   | 5     | 6,19,598            | 7,05,094            |
| (f) Other financial assets  | 6     | 71,950              | 74,253              |
| <b>Total Financial Assets</b>   |       | <b>1,089,419</b>    | <b>1,189,544</b>    |
| <b>Non financial assets</b>   |       |                     |                     |
| (a) Inventories   | 7     | 1,765               | 4,105               |
| (b) Property, Plant, Equipment & Intangible Assets  | 8     | 1,28,861            | 1,05,787            |
| (c) Capital work- in -progress  | 8     | 1,93,649            | 1,35,242            |
| (d) Other non-financial assets  | 9     | 37,861              | 32,645              |
| <b>Total Non- Financial Assets</b>  |       | <b>362,136</b>      | <b>277,780</b>      |
| <b>Total Assets</b>   |       | <b>1,451,555</b>    | <b>1,467,324</b>    |
| <b>LIABILITIES AND EQUITY</b>   |       |                     |                     |
| <b>LIABILITIES</b>  |       |                     |                     |
| <b>Financial Liabilities</b>  |       |                     |                     |
| (a) Payables  |       |                     |                     |
| (i) Trade Payables  |       |                     |                     |
| a) total outstanding dues of micro enterprises and small enterprises                      |       | -                   | -                   |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises | 10    | 10,125              | 8,774               |
| (ii) Other Payables   |       |                     |                     |
| a) total outstanding dues of micro enterprises and small enterprises                      |       | -                   | -                   |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises |       | -                   | -                   |
| (b) Debt securities   | 11    | 2,50,000            | 2,50,000            |
| (c) Borrowings (Other than debt securities)   | 12    | 1,21,200            | 40,582              |
| (d) Other financial liabilities   | 13    | -                   | -                   |
| <b>Total Financial Liabilities</b>  |       | <b>381,325</b>      | <b>299,356</b>      |
| <b>Non Financial Liabilities</b>  |       |                     |                     |
| (a) Current tax liabilities   | 14    | 6,467               | 6,052               |
| (b) Deferred liabilities (net)  | 14    | 49,286              | 35,949              |
| (c) Other non-financial liabilities   | 15    | 1,10,090            | 2,58,148            |
| <b>Total Non Financial Liabilities</b>  |       | <b>165,842</b>      | <b>300,149</b>      |
| <b>EQUITY</b>   |       |                     |                     |
| (a) Equity Share capital  | 16    | 1,65,417            | 1,65,417            |
| (b) Other Equity  | 17    | 7,38,972            | 7,02,403            |
| <b>Equity attributable to the equity holders of the parent company</b>                    |       |                     |                     |
| (c) Non Controlling Interest  |       | -                   | -                   |
| <b>Total Equity</b>   |       | <b>9,04,389</b>     | <b>8,67,820</b>     |
| <b>Total liability and Equity</b>   |       | <b>14,51,556</b>    | <b>14,67,324</b>    |

**Summary of significant accounting policies**

**1**

The accompanying notes are an integral part of these consolidated financial statements.

UDIN: 23511685BGXAKX9264

As per our report of even date attached

**For Sandeep Kumar Singh & Co.**

**For & on behalf of the Board of Directors**

Chartered Accountants

Firm Regn. No.035528N

S/d

S/d

S/d

S/d

S/d

**(CA Sandeep Kumar Singh)**

Membership No.511685

Proprietor

Place: New Delhi

**(Vijay Kumar Chopra)**

Director

DIN:03462730

Place: New Delhi

**(Sunil Kumar)**

Director

DIN:03247767

Date: 29-May-2023

**(Vikaram Jeet Rana)**

Chief Financial Officer

PAN: ALQPR3986B

**(Shruti Jain)**

Company Secretary

PAN: BDBPJ0088C

**JFC FINANCE (INDIA) LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023**

| Particulars  | Notes | Amount in ₹'000 except per share data |                 |
|--|-------|---------------------------------------|-----------------|
|  |       | 31.03.2023                            | 31.03.2022      |
| <b>For the year ended</b>  |       |                                       |                 |
| <b>Revenue from Operations</b>   |       |                                       |                 |
| Interest Income  | 18    | 28,495                                | 29,369          |
| Fees and Commission Income   | 19    | 1,371                                 | 612             |
| Income from Room Rent, Restaurants, Banquets and other services                                | 20    | 46,744                                | 18,945          |
| <b>Total Revenue from Operations</b>   |       | <b>76,611</b>                         | <b>48,926</b>   |
| Other Income   | 21    | 2,28,668                              | 63,414          |
| <b>Total Income</b>  |       | <b>305,279</b>                        | <b>112,340</b>  |
| <b>Expenses</b>  |       |                                       |                 |
| Finance Cost   | 22    | 7,191                                 | 7,907           |
| Cost of material consumed  | 23    | 17,361                                | 4,031           |
| Employee benefit expenses  | 24    | 27,699                                | 21,847          |
| Depreciation   | 8     | 5,630                                 | 4,580           |
| Other expenses   | 25    | 2,49,825                              | 68,459          |
| <b>Total Expenses</b>  |       | <b>3,07,706</b>                       | <b>1,06,824</b> |
| <b>Profit/(Loss) Before Tax and Exceptional Item</b>   |       | <b>(2,427)</b>                        | <b>5,516</b>    |
| <b>Exceptional items</b>   |       |                                       |                 |
| Provision for CWIP   |       | -                                     | -               |
| Misc. Prior Period Items   |       | -                                     | 134             |
| <b>VII. Profit/(loss) before tax</b>   |       | <b>-2,427</b>                         | <b>5,383</b>    |
| <b>Tax Expenses</b>  |       |                                       |                 |
| Current Tax  | 14    | 6,465                                 | 6,026           |
| Deferred Tax   | 14    | -2,116                                | 14,480          |
| Earlier Year Tax   |       | -                                     | -               |
| <b>Profit/(Loss) for the Year</b>  |       | <b>(6,777)</b>                        | <b>(15,124)</b> |
| <b>Other Comprehensive Income (Loss):</b>  |       |                                       |                 |
| <b>Items that will not be reclassified to profit or loss:</b>                                  |       |                                       |                 |
| Net Gain/(Loss) on equity securities measured at Fair Value through Other Comprehensive Income |       | 61,399                                | 76,854          |
| Income Tax impact on gain/(loss) on FVTOCI on equity securities                                |       | -15,453                               | -19,343         |
| Other Comprehensive Income for the year (net of tax)   |       | 45,946                                | 57,512          |
| <b>Total comprehensive income/(Loss) for the year</b>  |       | <b>39,170</b>                         | <b>42,388</b>   |
| <b>Profit/(Loss) for the year</b>  |       |                                       |                 |
| <b>Attributed to</b>   |       |                                       |                 |
| Equity holders of the parent   |       | (6,777)                               | (15,124)        |
| Non Controlling interest   |       | -                                     | -               |
| <b>Other Comprehensive Income /(Loss) for the year</b>   |       |                                       |                 |
| <b>Attributed to</b>   |       |                                       |                 |
| Equity holders of the parent   |       | 45,946                                | 57,512          |
| Non Controlling interest   |       | -                                     | -               |
| <b>Total Comprehensive Income /(Loss) for the year</b>   |       |                                       |                 |
| <b>Attributed to</b>   |       |                                       |                 |
| Equity holders of the parent   |       | 39,170                                | 42,388          |
| Non Controlling interest   |       | -                                     | -               |
| Basic Earning/(Loss) per share   | 26    | (6.04)                                | (4.46)          |
| Diluted Earning/(Loss) per share   | 26    | (4.55)                                | (3.36)          |

**Summary of significant accounting policies**

The accompanying notes are an integral part of these consolidated financial statements.

UDIN: 23511685BGXARX9264

As per our report of even date attached

**For Sandeep Kumar Singh & Co.**

Chartered Accountants

Firm Regn. No.035528N

**For & on behalf of the Board of Directors**

S/d

S/d

S/d

S/d

S/d

**(CA Sandeep Kumar Singh)**

Membership No.511685

Proprietor

Place: New Delhi

**(Vijay Kumar Chopra)**

Director

DIN:03462730

Place :New Delhi

**(Sunil Kumar)**

Director

DIN:03247767

Date: 29-May-2023

**(Vikram Jeet Rana)**

Chief Financial Officer

PAN: ALQPR3986B

**(Shruti Jain)**

Company Secretary

PAN: BDBPJ0088C

**JFC FINANCE (INDIA) LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT AS AT 31 ST MARCH, 2023**

| Particulars  | Note No. | As at 31st March<br>2023 | Amount in ₹'000<br>As at 31st March<br>2022 |
|--|----------|--------------------------|---|
| <b>A. Cash Flow from Operating Activities</b>                        |          |                          |   |
| Profit/(loss) before tax   |          | -2,427                   | 5,383                                       |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b> |          |                          |   |
| Depreciation & Adjustments   |          | 5,630                    | 4,580                                       |
| Non Cash Adjustment for Fixed Assets                                 |          | 366                      | -   |
| Balances Written Off   |          | -2,076                   | -   |
| Other Non Cash items   |          | -13                      | -   |
| Provision for impairment- Loans                                      |          | 9,157                    | 363   |
| Provision for Diminution in Investments                              |          | -304                     | -   |
| Loss on sale of Investments  |          | 2,06,763                 | 48,476                                      |
| Profit on sale of financial assets                                   |          | -                        | -   |
| Profit on sale of investments  |          | -31,231                  | -62,475                                     |
| Liability written back   |          | -194,811                 | -   |
| <b>Operating Profit / (loss) before working capital adjustments</b>  |          | <b>(8,946)</b>           | <b>(3,674)</b>                              |
| <b>Working Capital Adjustments</b>                                   |          |                          |   |
| Changes in Receivables   |          | -5,316                   | 6,694                                       |
| Changes in loans   |          | -14,550                  | -42,161                                     |
| Changes in other financial assets                                    |          | 13,588                   | -8,243                                      |
| Changes in other assets  |          | -3,410                   | -18,434                                     |
| Changes in Payables  |          | 1,351                    | 4,062                                       |
| Changes in financial Liabilities                                     |          | -                        | -966  |
| Changes in non financial Liabilities                                 |          | -40,631                  | 19,288                                      |
| Changes in Borrowings  |          | -8,500                   | -268,751                                    |
| <b>Total (A)</b>   |          | <b>(66,413)</b>          | <b>(312,184)</b>                            |
| Income tax paid (net of refund)                                      |          | -6,050                   | -2,356                                      |
| <b>Cash flow from operating activities</b>                           |          | <b>(72,463)</b>          | <b>(314,540)</b>                            |
| <b>B. Cash Flow from Investment Activities</b>                       |          |                          |   |
| Purchase of Property, Plant & Equipments                             |          | -29,102                  | -2,294                                      |
| Purchase of Investment   |          | -562,486                 | -188,030                                    |
| Sale of Investment   |          | 5,07,381                 | 5,36,773                                    |
| Additions to Capital WIP   |          | -58,407                  | -52,687                                     |
| Sale of Property, Plant & Equipments                                 |          | 60                       | -   |
| <b>Total (B)</b>   |          | <b>(142,554)</b>         | <b>293,761</b>                              |
| <b>C. Cash Flow from Financial Activities</b>                        |          |                          |   |
| Receipts from Borrowings   |          | 89,118                   | -   |
| Amount Received for JV   |          | 90,000                   | -   |
| <b>Total (C)</b>   |          | <b>179,118</b>           | <b>-</b>                                    |
| <b>Total (A+B+C)</b>   |          | <b>(35,899)</b>          | <b>(20,780)</b>                             |
| Opening balance of cash & cash equivalent                            |          | 97,854                   | 1,18,634                                    |
| Closing balance of cash & cash equivalent                            |          | 61,955                   | 97,854                                      |

**Summary of significant accounting policies**

1

The accompanying notes are an integral part of these consolidated financial statements.

UDIN: 235116850CXAKX9264

As per our report of even date attached

For and on behalf of the board Directors

For Sandeep Kumar Singh & Co,

Chartered Accountants

Firm Regn. No.035528N

S/d

S/d

S/d

S/d

S/d

(CA Sandeep Kumar Singh)  
 Membership No.511685  
 Proprietor  
 Place: New Delhi

(Vijay Kumar Chopra)  
 Director  
 DIN:03462730  
 Place: New Delhi

(Sunil Kumar)  
 Director  
 DIN:03247767  
 Date: 29-May-2023

(Vikaran Jeet Rana)  
 Chief Financial Officer  
 PAN: ALQPR3986E

(Shrutl Jain)  
 Company Secretary  
 PAN: BDBPJ0088C

**JFC FINANCE (INDIA) LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

**A. Equity Share Capital**  
**(1) Current reporting period**

| Particulars                                  | Amount in ₹'000  |  |   |
|--|--|--|---|
|  | Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period |
| Equity share capital                         | 33,917   | -  | 33,917  |
| Preference share capital (Treated as equity) | 1,31,500   | -  | 1,31,500  |
| <b>Total</b>                                 | <b>1,65,417</b>  | <b>-</b>   | <b>1,65,417</b>   |

**(2) Previous reporting period**

| Particulars                                  | Amount in ₹'000   |  |  |
|--|---|--|--|
|  | Balance at the beginning of the previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period |
| Equity share capital                         | 33,917  | -  | 33,917   |
| Preference share capital (Treated as equity) | 1,31,500  | -  | 1,31,500   |
| <b>Total</b>                                 | <b>1,65,417</b>   | <b>-</b>   | <b>1,65,417</b>  |

**B. Other Equity**  
**(2) current reporting period**

| Particulars   | Reserves and Surplus |   |                   | Capital Reserve | General Reserve | Compulsory Convertible Debentures (CCD) | Other Comprehensive Income through Other Comprehensive Income (Net of Tax) | Total Other Equity | Non Controlling Interest (NCI) | Total           |
|---|----------------------|---|-------------------|-----------------|-----------------|---|--|--------------------|--------------------------------|-----------------|
|   | Securities Premium   | Special Reserve created under section 45-1C of RBI Act, 1934. | Retained Earnings |                 |                 |   |  |                    |                                |                 |
| Balance at the beginning of the current reporting period          | 4,66,935             | 24,867  | -455,539          | 1,73,644        | 49,175          | 3,86,000                                | 57,320   | 7,02,403           | -                              | 7,02,403        |
| Changes in accounting policy or prior period errors               | -                    | -   | -                 | -               | -               | -                                       | -  | -                  | -                              | -               |
| Restated balance at the beginning of the current reporting period | 4,66,935             | 24,867  | -455,539          | 1,73,644        | 49,175          | 3,86,000                                | 57,320   | 7,02,403           | -                              | 7,02,403        |
| Profit for the year   | -                    | -   | -6,777            | -               | -               | -                                       | -  | -6,777             | -                              | -6,777          |
| Adjustments due to Consolidation                                  | -                    | -   | -600              | -               | -               | -2,000                                  | -  | -2,600             | -                              | -2,600          |
| Other comprehensive income for the year (Net of tax)              | -                    | -   | -                 | -               | -               | -                                       | 45,946   | 45,946             | -                              | 45,946          |
| <b>Total Comprehensive Income for the current year</b>            | <b>-</b>             | <b>-</b>  | <b>-7,377</b>     | <b>-</b>        | <b>-</b>        | <b>-</b>                                | <b>45,946</b>  | <b>36,569</b>      | <b>-</b>                       | <b>36,569</b>   |
| Transfer during the year u/s 45-1C of RBI Act                     | -                    | 2,741   | -2,741            | -               | -               | -                                       | -  | -                  | -                              | -               |
| <b>Balance at the end of the current reporting period</b>         | <b>4,66,935</b>      | <b>27,608</b>   | <b>-465,656</b>   | <b>1,73,644</b> | <b>49,175</b>   | <b>3,86,000</b>                         | <b>1,03,267</b>  | <b>7,38,972</b>    | <b>-</b>                       | <b>7,38,972</b> |

## (2) Previous reporting period

| Particulars   | Reserves and Surplus |   |                   | Capital Reserve | General Reserve | Compulsory Convertible Debentures (CUD) | Other Comprehensive Income | Total Other Equity | Non Controlling Interest (NCI) | Total    |
|---|----------------------|---|-------------------|-----------------|-----------------|---|----------------------------|--------------------|--------------------------------|----------|
|   | Securities Premium   | Special Reserve created under section 45-1C of RBI Act, 1934. | Retained Earnings |                 |                 |   |                            |                    |                                |          |
| Balance at the beginning of the current reporting period          | 4,66,935             | 24,250  | -346,607          | 1,73,644        | 49,175          | 3,86,000                                | -191                       | 7,53,206           | -83,191                        | 6,70,015 |
| Changes in accounting policy or prior period errors               | -                    | -   | -                 | -               | -               | -                                       | -                          | -                  | -                              | -        |
| Restated balance at the beginning of the current reporting period | 4,66,935             | 24,250  | -346,607          | 1,73,644        | 49,175          | 3,86,000                                | -191                       | 7,53,206           | -83,191                        | 6,70,015 |
| Profit for the year   | -                    | -   | -15,124           | -               | -               | -                                       | -                          | -15,124            | -                              | -15,124  |
| Adjustments due to Consolidation                                  | -                    | -   | -93,191           | -               | -               | -                                       | -                          | -93,191            | 83,191                         | -10,000  |
| Other comprehensive income for the year (Net of tax)              | -                    | -   | -                 | -               | -               | -                                       | 57,512                     | 57,512             | -                              | 57,512   |
| Total Comprehensive Income for the current year                   | -                    | -   | -108,315          | -               | -               | -                                       | 57,512                     | -50,803            | 83,191                         | 32,388   |
| Transfer during the year u/s 45-1C of RBI Act                     | -                    | 617   | -617              | -               | -               | -                                       | -                          | -                  | -                              | -        |
| Balance at the end of the current reporting period                | 4,66,935             | 24,867  | -455,539          | 1,73,644        | 49,175          | 3,86,000                                | 57,320                     | 7,02,403           | -                              | 7,02,403 |

The accompanying notes are an integral part of these consolidated financial statements.

UDIN: 235116856XAKY9264

As per our report of even date attached

For Sandeep Kumar Singh & Co.

Chartered Accountants

Firm Regn. No.035528N

S/d

For & on behalf of the Board of Directors

S/d

S/d

S/d

S/d

(CA Sandeep Kumar Singh)

Membership No.511685

Promotor

Place: New Delhi

Date: 29-May-2023

(Vijay Kumar Chopra)

Director

DIN:03462730

(Sunit Kumar)

Director

DIN:03247767

(Vikram Jeet Ram)

Chief Financial Officer

PAN: ALQPR3986B

(Shruti Jain)

Company Secretary

PAN: BDBPN0080C

## **JFC FINANCE (INDIA) LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

### **1. Summary of significant accounting policies**

#### **A. Corporate Information**

##### **Reporting Entity**

JFC Finance (India) Limited (the "Company"), is primarily engaged in the business of lending and investing in stressed assets of banking system. The Company is domiciled and incorporated in India in and has its registered office at P - 32, Lower Ground Floor, South Extension, Part II, New Delhi, India.

The Company is Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and categorised as an Investment and Credit Company (ICC).

Non-convertible debentures of the Company are listed on the Bombay Stock Exchange of India Limited (BSE).

These financial statements comprise the financial statements of JFC Finance (India) Limited and its subsidiary Hotel Gaudavan Private Limited - [domiciled and incorporated in India- with March 2023-effective 100.00% ownership, March 2022- 100.00 %].

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on 29.05.2023.

#### **B. Basis Of Preparation, Significant Accounting Policies, Critical Accounting Estimates And Judgements And Standards Issued But Not Yet Effective.**

##### **(i) Statement of Compliance**

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

##### **(ii) Basis of Preparation**

The financial statements have been prepared on the following basis:

#### **1. Basis of preparation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

The standalone financial statements are presented in ₹ which is the Group's functional currency.

#### **2. Principles of consolidation and equity accounting**

##### **Subsidiaries**

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

#### **C. Significant Accounting Policies**

A Summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

##### **1. Revenue from Operations :**

###### **a. Interest Income**

The Group recognises interest income using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

###### **b. Revenue from Hotel**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking in to account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive



## **JFC FINANCE (INDIA) LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

evidence of an arrangement exists, tariff/rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts

### **c. Income from services**

Income from services rendered is recognised based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.

### **d. Other Income**

Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.

## **2. Expenses**

### **Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR.

### **Other expenses**

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

## **3. Property, Plant, Equipment and Intangible Assets**

### **3.1 Recognition and initial measurements**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

### **3.2 Subsequent measurements**

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### **3.3 De-recognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

## **4. Depreciation**

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

(other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements/buildings are amortised over the period of the lease or the useful life of the asset, whichever is lower.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates is accounted for on a prospective basis. Assets costing less than ₹5,000 are depreciated fully in the year of purchase.

#### **5. Capital work-in progress**

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

#### **6. Impairment of Non-Financial Assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

#### **7. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustments to the borrowing costs as per the standard.

#### **8. Lease**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Group recognises lease liabilities to

## JFC FINANCE (INDIA) LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts are in ₹'000 except per share data)

make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Short term leases and leases of low value assets

The Group applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight line basis over the lease term.

## 9. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

## 10. Financial Instruments

### 10.1 Financial Assets

#### Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### Subsequent measurements

- **Debt Instruments** - The Group classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### I. Financial Assets at amortised costs:

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI). Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

##### II. Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other

## **JFC FINANCE (INDIA) LIMITED**

### **Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

#### **III. Financial assets at fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

#### **• Equity Instruments -**

- The group subsequently measures all equity investments (other than the investment in subsidiaries, associates and joint ventures which are measured at cost) at fair value. Where the Group has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payment is established.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

#### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For financial assets other than loan assets, the group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to

## **JFC FINANCE (INDIA) LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

be recognised from initial recognition of the assets.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) The Group measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Group measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Group considers reasonable and supportable information, that is available without undue cost or effort. If the Group measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Group again measures the loss allowance based on 12-month ECL.

For recognition of impairment loss on other financial assets and risk exposure, the Group categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When financial assets are first recognized, the Group recognizes an allowance based on 12 months ECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets has been reclassified from Stage 2.
- Stage 2: When a financial assets has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the financial assets has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Group records an allowance for the LTECLs.

### **10.2 Financial Liabilities**

#### **Initial Recognition**

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

#### **Subsequent Measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

#### **De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## **JFC FINANCE (INDIA) LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

### **10.3. Offsetting of financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **11. Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **12. Inventories**

Stock of food and beverages and fuel are carried at the lower of cost (computed on a First-in First-out basis) or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

Inventory (other than foods, beverages and fuel) under usage is charged to consumption upon purchase.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **13. Foreign Currency Translation:**

The functional currency of the Group is Indian rupee.

#### *I. Initial Recognition*

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### *II. Subsequent recognition*

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

### **14. Employee benefits**

- I. Short Term Obligations: The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in

## JFC FINANCE (INDIA) LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts are in ₹'000 except per share data)

which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Group has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

- II. **Compensated Absences:** Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.
- III. **Gratuity:** The Subsidiary has not recognised the gratuity liability in the books as per Gratuity Act, 1972

## 15. Taxes

### Current Income Tax and Deferred Tax

Tax expense comprises current tax and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### *Current Tax*

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

#### *Deferred Tax*

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

## JFC FINANCE (INDIA) LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts are in ₹'000 except per share data)

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

#### 16. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

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

#### D. Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

**Useful lives of property, plant and equipment and intangible assets:** The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Impairment testing:** Property, plant and equipment and Intangible assets that are subject to amortisation/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.



**JFC FINANCE (INDIA) LIMITED****Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023****(All amounts are in ₹'000 except per share data)**

**Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charges in the Statement of Profit or Loss.

**Provision for tax liabilities** require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

**Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

**Impact of COVID-19 on financials**

Currently, there is no major impact of Covid-19 on the Consolidated Financial Statements of the Group.

**E. Recent Accounting Standards (IND AS)**

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. As at 31.03.2023, there is no such notification which would have been pending applicable on the company.

UDIN:23511685BGXAKW9198

**For Sandeep Kumar Singh & Co.**

Chartered Accountants

Firm Regn. No. 035528N

**(Sandeep Kumar Singh)**

Proprietor

M.No. 511685

Place : New Delhi

Dated: 29.05.2023

**JFC FINANCE (INDIA) LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**(All amounts are in ₹'000 except per share data)**

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

Amount in ₹'000

| Particulars                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------|------------------------|------------------------|
| <b>Note 2</b>                    |                        |                        |
| <b>CASH AND CASH EQUIVALENTS</b> |                        |                        |
| Balance with banks :             |                        |                        |
| In current account               | 61,428                 | 96,761                 |
| Cash on hand                     | 528                    | 1,093                  |
| <b>Total</b>                     | <b>61,955</b>          | <b>97,854</b>          |

**Note 3A**

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>TRADE RECEIVABLE</b>   |                        |                        |
| <b>Considered good- Secured</b>   |                        |                        |
| Interest Receivable - Secured*  | 5,506                  | 5,007                  |
|   | -                      | -                      |
| <b>Considered good- Unsecured</b>   |                        |                        |
| Interest Receivable   | 13,282                 | 8,031                  |
| From Services   | 413                    | 1,221                  |
| Interest receivable considered which have significant increase in credit risk - Secured | 2,425                  | 2,050                  |
| <b>Total</b>  | <b>21,625</b>          | <b>16,309</b>          |

\*Refer Note-32 for Interest receivable from related parties.

**Note 4****LOANS**

| Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| <b>At amortised cost</b>                                  |                        |                        |
| Term Loans  | 3,25,207               | 2,97,792               |
| Inter Corporate Deposits                                  | -                      | -                      |
| <b>Gross Loans#</b>                                       | <b>3,25,207</b>        | <b>2,97,792</b>        |
| Less- Impairment Allowance (Standard Assets)              | 635                    | 698                    |
| Less- Impairment Allowance (Sub-Standard Assets/Doubtful) | 10,282                 | 1,061                  |
| <b>Net Loans</b>  | <b>3,14,291</b>        | <b>2,96,033</b>        |
| # Refer Note-31 for Loans given to related parties.       |                        |                        |
| <b>Secured by classification</b>                          |                        |                        |
| Secured by Tangible Assets                                | 2,86,574               | 2,64,006               |
| Secured by Intangible Assets                              | -                      | -                      |
| <b>Unsecured</b>  | <b>38,633</b>          | <b>33,786</b>          |
| <b>Gross Loans</b>  | <b>3,25,207</b>        | <b>2,97,792</b>        |
| Less- Impairment Allowance (Standard Assets)              | 635                    | 698                    |
| Less- Impairment Allowance (Sub-Standard Assets/Doubtful) | 10,282                 | 1,061                  |
| <b>Net Loans</b>  | <b>3,14,291</b>        | <b>2,96,033</b>        |
| <b>Loans in India</b>                                     |                        |                        |
| Public Sector   | -                      | -                      |
| Private Sector  | 3,25,207               | 2,97,792               |
| <b>Gross Loans in India</b>                               | <b>3,25,207</b>        | <b>2,97,792</b>        |
| Less- Impairment Allowance (Standard Assets)              | 635                    | 698                    |
| Less- Impairment Allowance (Sub-Standard Assets)          | 10,282                 | 1,061                  |
| <b>Net Loans in India</b>                                 | <b>3,14,291</b>        | <b>2,96,033</b>        |
| <b>Loans outside India</b>                                |                        |                        |
|   | -                      | -                      |
| <b>Net Loans In India and outside India</b>               | <b>3,14,291</b>        | <b>2,96,033</b>        |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

Note No 5

31.03.2023  
Amount in ₹ '000

| Particulars   | At amortised cost | Designated at Fair value through other comprehensive income | At fair value through Profit and Loss account | At Cost | Total          |
|---|-------------------|---|---|---------|----------------|
| <b>Equity Instruments (Other) - Unquoted</b>  |                   |   |   |         |                |
| 19,500 of ₹ 100 each fully paid equity share of Sopan Securities Private Limited.           | -                 | 16,179  | -   | -       | 16,179         |
| 350,000 of ₹ 10 each, fully paid up equity shares of Varahalaksmi Infrastructure Pvt. Ltd.  | -                 | 3,784   | -   | -       | 3,784          |
| 33,000 of ₹ 10 each, fully paid up equity shares of Turnaround Consultants Private Limited. | -                 | 26,242  | -   | -       | 26,242         |
| 3,500 of ₹ 10 each, fully paid up equity shares of Zircon Petrochem Private Limited.        | -                 | 3,711   | -   | -       | 3,711          |
| <b>Investment in government securities</b>  | -                 | 3   | -   | -       | 3              |
| <b>Equity Instruments (Other) - Quoted</b>  |                   |   |   |         |                |
| 9,02,834 of ₹ 10 each of Lords Chloro Alkali Limited fully paid.                            | -                 | 1,31,949  | -   | -       | 1,31,949       |
| 18 Equity Shares of Coventy Coil O Matic Limited of Rs.10 each, fully paid.                 | -                 | 0   | -   | -       | 0              |
| <b>Other Instruments- Security Receipts-Unquoted</b>  |                   |   |   |         |                |
| 24,000 Security Receipt of ALCHEMIST XIII TRSUT JMEL IDBI                                   | -                 | -   | 24  | -       | 24             |
| 3,300 Security Receipt of ALCHEMIST- XIV TRUST  | -                 | -   | 7,878   | -       | 7,878          |
| 2,210 Security Receipt of ALCHEMIST XVI TRUST SIMA HOTEL                                    | -                 | -   | 2,210   | -       | 2,210          |
| 2,89,000 Security Receipts of ALCHEMIST- XVI TRUST SBI-STFL                                 | -                 | -   | 2,42,197                                      | -       | 2,42,197       |
| 1,50,000 Security Receipt of ALCHEMIST- XVII TRUST SENIOR                                   | -                 | -   | 2   | -       | 2              |
| <b>Other Instruments- Compulsory Convertible Debentures (CCD)-Unquoted</b>                  |                   |   |   |         |                |
| 37,00,000 Fully paid CCDs of Rs.10 each of Sopan Securities Private Limited.                | 37,500            | -   | -   | -       | 37,500         |
| 24,500 Fully paid CCDs of Rs.1000 each of Varahalaksmi Infrastructure Pvt. Ltd.             | 25,000            | -   | -   | -       | 25,000         |
| 20,900 Fully paid CCDs of Rs.1000 each of Annalakshmi Trading Private Limited.              | 20,900            | -   | -   | -       | 20,900         |
| 61,50,000 Fully paid CCDs of Rs.10 each of Turnaround Consultants Private Limited.          | 63,500            | -   | -   | -       | 63,500         |
| 33,70,000 Fully paid CCDs of Rs.10 each of Zircon Petrochem Private Limited.                | 34,500            | -   | -   | -       | 34,500         |
| <b>Securities, Loans and advances &amp; Other assets of Moser Baer Group -Unquoted</b>      | 8,200             | -   | -   | -       | 8,200          |
| <b>Total Investments</b>  | <b>189,600</b>    | <b>181,868</b>  | <b>252,310</b>                                | -       | <b>623,778</b> |
| <b>Geographywise Investments</b>  |                   |   |   |         |                |
| Investment Outside India  | -                 | -   | -   | -       | -              |
| Investment in India   | 189,600           | 181,868   | 252,310                                       | -       | 623,778        |
| <b>Gross Geography wise investments</b>   | <b>189,600</b>    | <b>181,868</b>  | <b>252,310</b>                                | -       | <b>623,778</b> |
| Less: Allowance for impairment  | -                 | -   | 4,179   | -       | 4,179          |
| <b>Net Geography wise investments</b>   | <b>189,600</b>    | <b>181,868</b>  | <b>248,130</b>                                | -       | <b>619,598</b> |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

| Note No 5<br>INVESTMENTS | Particulars   | 31-Mar-22         |   |   |         | Amount in ₹'000 |
|--------------------------|---|-------------------|---|---|---------|-----------------|
|                          |   | At amortised cost | Designated at Fair value through other comprehensive income | At fair value through Profit and Loss account | At Cost |                 |
|                          | <b>Equity Instruments-Other- Unquoted</b>   |                   |   |   |         |                 |
|                          | 22,625 of ₹ 100 each fully paid equity share of Sopan Securities Private Limited.           | -                 | 11,604  | -   | -       | 11,604          |
|                          | 350,000 of ₹ 10 each, fully paid up equity shares of Varahaakshmi Infrastructures Pvt. Ltd. | -                 | 3,259   | -   | -       | 3,259           |
|                          | 27,667 of ₹ 10 each, fully paid up equity shares of Annalakshmi Trading Private Limited.    | -                 | 6,571   | -   | -       | 6,571           |
|                          | 33,000 of ₹ 10 each, fully paid up equity shares of Turnaround Consultants Private Limited. | -                 | 16,764  | -   | -       | 16,764          |
|                          | <b>Investment in government securities</b>  | -                 | 3   | -   | -       | 3               |
|                          | <b>Equity Instruments -Other- Quoted</b>  |                   |   |   |         |                 |
|                          | 9,02,834 of ₹ 10 each of Lords Chloro Alkali Limited fully paid.                            | -                 | 85,769  | -   | -       | 85,769          |
|                          | 18 Equity Shares of Coventy Coil O Matic Limited of Rs10 each, fully paid.                  | -                 | 0   | -   | -       | 0               |
|                          | <b>Other Instruments- Security Receipts-Unquoted</b>  |                   |   |   |         |                 |
|                          | 51,700 Security Receipts of ALCHEMIST XII TRUST JUNIOR TRUST                                | -                 | -   | 1,592   | -       | 1,592           |
|                          | 24,000 Security Receipt of ALCHEMIST XIII TRSUT IMEL IDBI                                   | -                 | -   | 24  | -       | 24              |
|                          | 17,000 Security Receipts of ALCHEMIST - XVIII TRUST NIRU IMPLEX                             | -                 | -   | 9,095   | -       | 9,095           |
|                          | 3,300 Security Receipt of ALCHEMIST- XIV TRUST  | -                 | -   | 7,878   | -       | 7,878           |
|                          | 2,210 Security Receipt of ALCHEMIST XVI TRUST SIMA HOTEL                                    | -                 | -   | 2,210   | -       | 2,210           |
|                          | 2,89,000 Security Receipts of ALCHEMIST- XVI TRUST SBI-STFL                                 | -                 | -   | 12,075  | -       | 12,075          |
|                          | 27,209 Security Receipts of ALCHEMIST XII TRUST RBL-SIESL                                   | -                 | -   | 23,772  | -       | 23,772          |
|                          | 1,00,000 Security Receipts of ALCHEMIST - XVIII TRUST DENA IICRM                            | -                 | -   | 99,799  | -       | 99,799          |
|                          | 9,500 Security Receipt of ALCHEMIST - XVIII TRUST OBC SRCSP                                 | -                 | -   | 9,500   | -       | 9,500           |
|                          | 1,50,000 Security Receipt of ALCHEMIST- XVII TRUST SENIOR                                   | -                 | -   | 2   | -       | 2               |
|                          | 72,288 Security Receipt of ALCHEMIST- XVI TRUST AB-STFL                                     | -                 | -   | 58,234  | -       | 58,234          |
|                          | 1,44,413 Security Receipt of ALCHEMIST - XXXIV TRUST LVB AIPL                               | -                 | -   | 21,018  | -       | 21,018          |
|                          | 1,25,000 Security Receipt of ALCHEMIST - XXXVI TRUST SAFL                                   | -                 | -   | 34,802  | -       | 34,802          |
|                          | 2,45,000 Security Receipt of ALCHEMIST - XXXVI TRUST SAFL.2                                 | -                 | -   | 1,94,291                                      | -       | 1,94,291        |
|                          | 36,125 Security Receipt of ALCHEMIST - X TRUST TELEPHONE CABLE                              | -                 | -   | 81,317  | -       | 81,317          |
|                          | 30,000 Security Receipt of ALCHEMIST - XJ TRUST MOHAK CARPETS                               | -                 | -   | 30,000  | -       | 30,000          |
|                          | 70,000 Security Receipt of ALCHEMIST - X TRUST IOB-HYL                                      | -                 | -   | -   | -       | -               |
|                          | <b>Total Investments</b>  | -                 | <b>1,23,971</b>   | <b>5,85,607</b>                               | -       | <b>7,09,578</b> |
|                          | <b>Geographywise Investments</b>  |                   |   |   |         |                 |
|                          | Investment Outside India  | -                 | -   | -   | -       | -               |
|                          | Investment in India   | -                 | 1,23,971  | 5,85,607                                      | -       | 7,09,578        |
|                          | <b>Gross Geography wise investments</b>   | -                 | <b>1,23,971</b>   | <b>5,85,607</b>                               | -       | <b>7,09,578</b> |
|                          | Less: Allowance for impairment  | -                 | 0.12  | 4,484   | -       | 4,484           |
|                          | <b>Net Geography wise Investments</b>   | -                 | <b>1,23,971</b>   | <b>5,81,124</b>                               | -       | <b>7,05,094</b> |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 3b**

**Trade receivables ageing as at March 31, 2023**

| S.No. | Particulars   | Unbilled | Not Due for payment | Outstanding for following periods from due date of payment |                  |           |              |                   | Total         |
|-------|---|----------|---------------------|--|------------------|-----------|--------------|-------------------|---------------|
|       |   |          |                     | Amount in ₹ '000   |                  |           |              |                   |               |
|       |   |          |                     | Less than 6 Months   | 6 Months- 1 year | 1-2 years | 2-3 years    | More than 3 years |               |
| 1     | Undisputed Trade receivables –considered good                                 | -        | 13,282              | 5,506  | 35               | 0         | 303          | 74                | 19,200        |
| 2     | Undisputed Trade receivables – which have significant increase in credit risk | -        | -                   | -  | 375              | -         | 1,243        | 807               | 2,425         |
| 3     | Undisputed Trade receivables – credit impaired                                | -        | -                   | -  | -                | -         | -            | -                 | -             |
| 4     | Disputed Trade receivables –considered good                                   | -        | -                   | -  | -                | -         | -            | -                 | -             |
| 5     | Disputed Trade receivables – which have significant increase in credit risk   | -        | -                   | -  | -                | -         | -            | -                 | -             |
| 6     | Disputed Trade receivables – credit impaired                                  | -        | -                   | -  | -                | -         | -            | -                 | -             |
|       | <b>Gross</b>  | -        | <b>13,282</b>       | <b>5,506</b>   | <b>410</b>       | -         | <b>1,546</b> | <b>881</b>        | <b>21,625</b> |

**Trade receivables ageing as at March 31, 2022**

| S.No. | Particulars   | Unbilled | Not Due for payment | Outstanding for following periods from due date of payment |                  |              |            |                   | Total         |
|-------|---|----------|---------------------|--|------------------|--------------|------------|-------------------|---------------|
|       |   |          |                     | Amount in ₹ '000   |                  |              |            |                   |               |
|       |   |          |                     | Less than 6 Months   | 6 Months- 1 year | 1-2 years    | 2-3 years  | More than 3 years |               |
| 1     | Undisputed Trade receivables –considered good                                 | -        | 8,031               | 4,377  | 1,477            | 132          | 153        | 90                | 14,259        |
| 2     | Undisputed Trade receivables – which have significant increase in credit risk | -        | -                   | -  | -                | 1,243        | 770        | 37                | 2,050         |
| 3     | Undisputed Trade receivables – credit impaired                                | -        | -                   | -  | -                | -            | -          | -                 | -             |
| 4     | Disputed Trade receivables –considered good                                   | -        | -                   | -  | -                | -            | -          | -                 | -             |
| 5     | Disputed Trade receivables – which have significant increase in credit risk   | -        | -                   | -  | -                | -            | -          | -                 | -             |
| 6     | Disputed Trade receivables – credit impaired                                  | -        | -                   | -  | -                | -            | -          | -                 | -             |
|       | <b>Gross</b>  | -        | <b>8,031</b>        | <b>4,377</b>   | <b>1,477</b>     | <b>1,375</b> | <b>923</b> | <b>127</b>        | <b>16,309</b> |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 6****OTHER FINANCIAL ASSETS****Amount in ₹'000**

| Particulars  | As at         | As at         |
|--|---------------|---------------|
|  | 31 March 2023 | 31 March 2022 |
| <b>Unsecured and considered good</b>   |               |               |
| Advance for Financial Assets   | 10,000        | 10,200        |
| Earnest Money Deposit  | 61,800        | 7,800         |
| Assignment of Debt   | 62            | 59            |
| Other advances and amount receivable   | 87            | 52,746        |
| Security Deposit   | 1             | 666           |
| Loans to relatives/sisters concern/Erstwhile Directors of Subsidiary Company | -             | 2,586         |
| Advance to Staff   | -             | 197           |
| <b>Total</b>   | <b>71,950</b> | <b>74,253</b> |

**Note 7****INVENTORIES**

| Particulars  | As at         | As at         |
|--|---------------|---------------|
|  | 31 March 2023 | 31 March 2022 |
| <b>Stock-in-Trade (As certified by management)</b> |               |               |
| Stock of Diesel, Coal, Gas                         | 27            | 32            |
| Stock of House Keeping Supplies                    | 1,360         | 3,093         |
| Stock of Grocery, Provisions, F&B, Stores          | 378           | 980           |
| <b>Total</b>                                       | <b>1,765</b>  | <b>4,105</b>  |

**Note 9****OTHER -NON FINANCIAL ASSETS**

| Particulars                      | As at         | As at         |
|----------------------------------|---------------|---------------|
|                                  | 31 March 2023 | 31 March 2022 |
| Balance with Revenue Authorities | 32,798        | 26,817        |
| Prepaid Expenses                 | 1,219         | 997           |
| Advances to Supplier             | 3,845         | 4,831         |
| <b>Total</b>                     | <b>37,861</b> | <b>32,645</b> |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 8**

**Property, Plant, and Equipments**

| Particulars   | Lease Hold Land | Free Hold Land | Buildings | Plant & Machinery | Furniture and Fixtures | Computers etc. | Server | Office Equipment | Vehicles | Total   | Amount in ₹'000 |         |
|---|-----------------|----------------|-----------|-------------------|------------------------|----------------|--------|------------------|----------|---------|-----------------|---------|
|   |                 |                |           |                   |                        |                |        |                  |          |         | 60 Years        | 8 Years |
| Useful Life as per Companies Act, 2013                |                 |                |           |                   |                        |                |        |                  |          |         |                 |         |
| <b>Gross Block</b>                                    |                 |                |           |                   |                        |                |        |                  |          |         |                 |         |
| As at March 31, 2021                                  | 1,564           | 845            | 101,872   | 13,608            | 375                    | 1,100          | -      | 125              | 5,608    | 125,097 |                 |         |
| Additions   | -               | -              | -         | 1,745             | 489                    | 61             | -      | -                | -        | 2,294   |                 |         |
| Disposals   | -               | -              | -         | -                 | -                      | -              | -      | -                | -        | -       |                 |         |
| As at March 31, 2022                                  | 1,564           | 845            | 101,872   | 15,352            | 864                    | 1,161          | -      | 125              | 5,608    | 127,391 |                 |         |
| Additions   | -               | -              | -         | 4,378             | 24,254                 | 331            | 514    | 25               | 95       | 29,596  |                 |         |
| Disposals   | -               | -              | -         | 32                | 860                    | -              | -      | -                | -        | 892     |                 |         |
| As at March 31, 2023                                  | 1,564           | 845            | 101,872   | 19,698            | 24,258                 | 1,492          | 514    | 149              | 5,703    | 156,987 |                 |         |
| <b>Accumulated depreciation and impairment losses</b> |                 |                |           |                   |                        |                |        |                  |          |         |                 |         |
| As at March 31, 2021                                  | -               | -              | 7,202     | 5,049             | 187                    | 806            | -      | 87               | 3,695    | 17,025  |                 |         |
| Charge for the year                                   | -               | -              | 2,366     | 1,479             | 56                     | 128            | -      | 12               | 539      | 4,580   |                 |         |
| Disposals   | -               | -              | -         | -                 | -                      | -              | -      | -                | -        | -       |                 |         |
| As at March 31, 2022                                  | -               | -              | 9,567     | 6,528             | 242                    | 934            | -      | 99               | 4,234    | 21,604  |                 |         |
| Charge for the year                                   | -               | -              | 2,348     | 1,600             | 1,123                  | 153            | 32     | 12               | 363      | 5,630   |                 |         |
| Disposals   | -               | -              | -         | -                 | -                      | -              | -      | -                | -        | -       |                 |         |
| As at March 31, 2023                                  | -               | -              | 11,916    | 8,127             | 1,365                  | 1,087          | 32     | 111              | 4,597    | 27,234  |                 |         |
| <b>Net carrying amount as at March 31, 2022</b>       | 1,564           | 845            | 92,304    | 8,825             | 622                    | 227            | -      | 26               | 1,374    | 105,787 |                 |         |
| <b>Net carrying amount as at March 31, 2023</b>       | 1,564           | 845            | 89,956    | 11,571            | 22,893                 | 405            | 482    | 38               | 1,107    | 128,861 |                 |         |

| Relevant line item in the Balance sheet | Description of item of property                             | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, direct or relative# of promoter*/director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company |
|---|---|----------------------|---------------------------------|--|--------------------------------|--|
|   |   |                      |                                 |  |                                |  |
| PPE                                     | Building  | 93,245               | Hotel Gandavan Private Limited  | N.A.   | 24/03/1999                     |  |
|   | Free Hold Land  | 845                  |                                 |  | 21/03/2007                     | N.A.   |
|   | Lease Hold Land   | 1,564                |                                 |  | 31/01/1996                     |  |
| PPE                                     | LGF Build on plot no. P-32, South Ex, Part-II, New Delhi-49 | 8,627                | JFC Finance (India) Ltd.        | N.A.   | 10.04.2018                     | N.A.   |



**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 8****Capital Work- in Progress ("CWIP")**

Accounting Policy : Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

**CWIP ageing Schedule as at March 31, 2023**

| Capital work in Progress      | Amount in CWIP for a period of |               |              |                   | Total          |
|-------------------------------|--------------------------------|---------------|--------------|-------------------|----------------|
|                               | Less than 1 year               | 1-2 years     | 2-3 years    | more than 3 years |                |
| Project in Progress           | 58,407                         | 52,687        | 5,895        | 76,659            | 193,649        |
| Project temporarily suspended | -                              | -             | -            | -                 | -              |
| <b>Total</b>                  | <b>58,407</b>                  | <b>52,687</b> | <b>5,895</b> | <b>76,659</b>     | <b>193,649</b> |

**CWIP ageing Schedule as at March 31, 2022**

| Capital work in Progress      | Amount in CWIP for a period of |              |           |                   | Total          |
|-------------------------------|--------------------------------|--------------|-----------|-------------------|----------------|
|                               | Less than 1 year               | 1-2 years    | 2-3 years | more than 3 years |                |
| Project in Progress           | 52,687                         | 5,895        | -         | 76,659            | 135,242        |
| Project temporarily suspended | -                              | -            | -         | -                 | -              |
| <b>Total</b>                  | <b>52,687</b>                  | <b>5,895</b> | <b>-</b>  | <b>76,659</b>     | <b>135,242</b> |

CWIP Completion schedule whose completion is overdue or has exceeded its cost compared to its original plan as at March 31,2023

| Capital work in Progress | Amount in CWIP for a period of |           |                   | Total |
|--------------------------|--------------------------------|-----------|-------------------|-------|
|                          | Less than 1 year               | 1-2 years | 2-3 years         |       |
|                          |                                |           | more than 3 years |       |

CWIP Completion schedule whose completion is overdue or has exceeded its cost compared to its original plan as at March 31,2022

| Capital work in Progress | Amount in CWIP for a period of |           |                   | Total |
|--------------------------|--------------------------------|-----------|-------------------|-------|
|                          | Less than 1 year               | 1-2 years | 2-3 years         |       |
|                          |                                |           | more than 3 years |       |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

| Particulars                                | Amount in ₹'000        |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Note 10A</b>                            |                        |                        |
| <b>Trade Payable</b>                       |                        |                        |
| Due to Micro, small and Medium Enterprises | -                      | -                      |
| Other Payables                             | 10,125                 | 8,774                  |
| <b>Total</b>                               | <b>10,125</b>          | <b>8,774</b>           |

| Particulars   | Amount in ₹'000        |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Note 11</b>  |                        |                        |
| <b>DEBT SECURITIES</b>  |                        |                        |
| <b>In India</b>   |                        |                        |
| <b>At amortised cost- Unsecured</b>   |                        |                        |
| 25 (31 March 2022-25 ) Non Convertible Redeemable Debentures of Rs.1,00,00,000 each, fully paid, redeemable in 10 years.# | 2,50,000               | 2,50,000               |
| <b>Total Debt Security</b>  | <b>2,50,000</b>        | <b>2,50,000</b>        |

# JFC Finance (India) Ltd. has issued Unsecured, Zero Coupon, Listed Non Convertible Redeemable Debentures of Rs.1,00,00,000 each, fully paid, which are redeemable in 10 years along with premium @7.50% p.a.

**Note 12**  
**BORROWING (OTHER THAN DEBT SECURITIES)**

| Particulars                                | Amount in ₹'000        |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>In India</b>                            |                        |                        |
| <b>At amortised cost- Secured</b>          |                        |                        |
| -Inter Corporate Loan From Related Party#1 | -                      | 8,500                  |
| <b>Total</b>                               | <b>-</b>               | <b>8,500</b>           |
| <b>Unsecured</b>                           |                        |                        |
| - Loans from NBFC company*2                | 12,500                 | 13,958                 |
| - Inter Corporate Loans*3                  | 1,08,700               | 18,124                 |
| <b>Total</b>                               | <b>1,21,200</b>        | <b>32,082</b>          |
| <b>Grand Total</b>                         | <b>1,21,200</b>        | <b>40,582</b>          |

#1 Inter Corporate loan taken @9% p.a. for 6 months.

\*2 Loan taken @10% p.a. rate of interest for a period of 24 months.

\*3 Corporate Loan taken of Rs.1,00,00,000 @ 9% p.a. for a tenure of 3 years and Corporate loan taken of Rs.80,00,000 @ 8% p.a. for a tenure of 3 years.

**Note 13**  
**OTHER FINANCIAL LIABILITIES**

| Particulars                            | Amount in ₹'000        |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Interest accrued and due on borrowings | -                      | -                      |
| <b>Total</b>                           | <b>-</b>               | <b>-</b>               |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note-10B**

| S. No. |                           | Particulars | Outstanding for following periods from due date of payment |         |                     |           | Amount in ₹ '000 |                     |
|--------|---------------------------|-------------|--|---------|---------------------|-----------|------------------|---------------------|
|        |                           |             | Others<br>Unbilled   | Not Due | Less than 1<br>Year | 1-2 Years | 2-3 Years        | More than 3<br>Year |
| (i)    | Undisputed Trade Payables |             |  |         |                     |           |                  |                     |
|        | (a) MSME                  | -           | -  | -       | -                   | -         | -                | -                   |
|        | (b) Others                | -           | -  | 9,434   | 323                 | -         | 368              | 10,125              |
| (ii)   | Disputed Trade Payables   |             |  |         |                     |           |                  |                     |
|        | (a) MSME                  | -           | -  | -       | -                   | -         | -                | -                   |
|        | (b) Others                | -           | -  | -       | -                   | -         | -                | -                   |
|        | <b>Total (i) + (ii)</b>   | -           | -  | 9,434   | 323                 | -         | 368              | 10,125              |

| S. No. |                           | Particulars | Outstanding for following periods from due date of payment |         |                     |           | Amount in ₹ '000 |                     |
|--------|---------------------------|-------------|--|---------|---------------------|-----------|------------------|---------------------|
|        |                           |             | Others<br>Unbilled   | Not Due | Less than 1<br>Year | 1-2 Years | 2-3 Years        | More than 3<br>Year |
| (i)    | Undisputed Trade Payables |             |  |         |                     |           |                  |                     |
|        | (a) MSME                  | -           | -  | -       | -                   | -         | -                | -                   |
|        | (b) Others                | -           | -  | 7,767   | 163                 | 596       | 248              | 8,774               |
| (ii)   | Disputed Trade Payables   |             |  |         |                     |           |                  |                     |
|        | (a) MSME                  | -           | -  | -       | -                   | -         | -                | -                   |
|        | (b) Others                | -           | -  | -       | -                   | -         | -                | -                   |
|        | <b>Total (i) + (ii)</b>   | -           | -  | 7,767   | 163                 | 596       | 248              | 8,774               |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 14****CURRENT TAX LIABILITIES**

| Particulars             | Amount in ₹'000        |                        |
|-------------------------|------------------------|------------------------|
|                         | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Current Tax liabilities | 6,467                  | 6,052                  |
| <b>Total</b>            | <b>6,467</b>           | <b>6,052</b>           |

**Tax disclosure****a) The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Current tax:</b>  |                        |                        |
| Current tax on profits for the year  | 6,465                  | 6,026                  |
| Income tax of earlier years  | -                      | -                      |
| <b>Current tax expense</b>   | <b>6,465</b>           | <b>6,026</b>           |
| <b>Deferred tax charge (credit):</b>   |                        |                        |
| Relating to origination and reversal of temporary differences                        | -2,116                 | 14,480                 |
| <b>Deferred tax charge (credit)</b>  |                        |                        |
| <b>Total Income tax expense/(income) reported in the statement of profit or loss</b> | <b>4,350</b>           | <b>20,506</b>          |
| <b>Other comprehensive income/ (loss) section</b>                                    |                        |                        |
| Deferred tax charge/ (credit):   | -15,453                | 19,343                 |
| <b>Income tax charged/(credited) to other comprehensive income</b>                   | <b>[15,453]</b>        | <b>19,343</b>          |

**b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31.03. 2023 and 31.03.2022**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>Profit/(Loss) before tax</b>  | <b>-2,427</b>          | <b>5,516</b>           |
| At statutory income tax rate of 25.168%  | 4,536                  | 6,000                  |
| <b>Tax effect of amounts -Credit which are not deductible/(taxable) in calculating taxable income:</b> |                        |                        |
| Adjustments due to Depreciation  | -96                    | -                      |
| Adjustments due to disallowance while computing Taxable Income   | 2,556                  | -                      |
| Adjustments due to deductions while computing Taxable Income   | -17                    | -                      |
| Adjustments due to earlier year income taxes   | -25                    | -25                    |
| Adjustments due to Tax on Capital Gains  | -489                   | -                      |
| Deferred Tax charge/(credit) due to FVTOCI   | 15,453                 | 19,343                 |
| Deferred Tax charge/(credit) other than due to FVTOCI  | -2,116                 | 14,480                 |
| <b>Total adjustments</b>   | <b>15,266</b>          | <b>33,798</b>          |
| <b>Income tax expense including impact of Other Comprehensive Income</b>                               | <b>19,803</b>          | <b>39,797</b>          |

**C) DEFERRED TAX LIABILITIES/(ASSETS)**

| Particulars  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>DEFERRED TAX LIABILITIES:</b>                         |                        |                        |
| -On account of Fair valuation of investments             | -                      | 19,278                 |
| -On account of depreciation                              | 18,676                 | 18,564                 |
| <b>DEFERRED TAX ASSETS:</b>                              |                        |                        |
| -On account of provision for diminution in investment    | -1,052                 | -1,128                 |
| -On account Impairment provisions- standard assets       | -160                   | -176                   |
| -On account Impairment provisions of sub-standard assets | -2,588                 | -267                   |
| -On account Carry Forward Capital Losses                 | -322                   | -322                   |
| -On account of Fair valuation of investments             | 34,731                 | -                      |
| <b>DEFERRED TAX (ASSETS)/ LIABILITIES (Net)</b>          | <b>49,286</b>          | <b>35,949</b>          |

**Note**

JFC Finance (India) Limited has decided to opt for the New Tax Regime inserted as per section 115BAA of the Income Tax Act, 1961 and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') which is applicable from Financial Year beginning April 1, 2019. Accordingly the Company has applied the the 25.168% tax rates in the financial statements for the year ended March 31, 2023 and March 31, 2022..

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 15****OTHER NON FINANCIAL LIABILITIES**

| Particulars  | Amount in ₹'000        |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Advance received for acquiring assets/joint ventures | 90,000                 | 26,000                 |
| Advances received from customers                     | 2,228                  | 865                    |
| Performance Security Deposits                        | 5,018                  | 1,99,819               |
| Expenses Payable                                     | 10,442                 | 5,588                  |
| Statutory taxes payable                              | 727                    | 2,374                  |
| Amount Payable (received on behalf of third party)   | -                      | 22,509                 |
| Revenue (Interest income) Received in Advance        | 1,013                  | 903                    |
| Other Payables/Advances                              | 661                    | 90                     |
| <b>Total</b>   | <b>1,10,090</b>        | <b>2,58,148</b>        |

**Note 17****OTHER EQUITY**

| Particulars  | Amount in ₹'000        |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Retained Earnings</b>   |                        |                        |
| Balance at the beginning of the year                                   | -455,539               | -346,607               |
| Ind AS Adjustments   | -                      | -                      |
| Profit / (Loss) for the year   | -6,777                 | -15,124                |
| Other Comprehensive income for the year                                | -                      | -                      |
| Consolidation Adjustments  | -600                   | -93,191                |
| Transfer to Statutory Reserve  | -2,741                 | -617                   |
| <b>Balance at the end of the Year</b>                                  | <b>-465,656</b>        | <b>-455,539</b>        |
| <b>Securities Premium Reserve</b>                                      |                        |                        |
| Balance at the beginning of the year                                   | 4,66,935               | 4,66,935               |
| Add: On issue of Equity Shares   | -                      | -                      |
| <b>Balance at the end of the Year</b>                                  | <b>4,66,935</b>        | <b>4,66,935</b>        |
| <b>Statutory Reserve</b>   |                        |                        |
| Balance at the beginning of the year                                   | 24,867                 | 24,250                 |
| Transferred during the year  | 2,741                  | 617                    |
| <b>Balance at the closing of the year</b>                              | <b>27,608</b>          | <b>24,867</b>          |
| <b>Capital Reserve</b>   |                        |                        |
| Balance at the beginning of the year                                   | 1,73,644               | 1,73,644               |
| Add: Due to reduction of share capital                                 | -                      | -                      |
| <b>Balance at the end of the Year</b>                                  | <b>1,73,644</b>        | <b>1,73,644</b>        |
| <b>General Reserve</b>   |                        |                        |
| Balance at the beginning of the year                                   | 49,175                 | 49,175                 |
| Add/ Less: Movement during the year due to restatement of depreciation | -                      | -                      |
| <b>Balance at the end of the Year</b>                                  | <b>49,175</b>          | <b>49,175</b>          |
| <b>Compulsory Convertible Debentures [CCDs]- Unsecured</b>             |                        |                        |
| Balance at the beginning of the year                                   | 3,86,000               | 3,86,000               |
| Consolidated Adjustments   | -2,000                 | -                      |
| <b>Balance at the end of the Year</b>                                  | <b>3,84,000</b>        | <b>3,86,000</b>        |
| <b>FVTOCI Reserve</b>  |                        |                        |
| Balance at the beginning of the year                                   | 57,320                 | -191                   |
| Add/ Less: Movement during the year (Net of tax)                       | 45,946                 | 57,512                 |
| <b>Balance at the end of the Year</b>                                  | <b>1,03,267</b>        | <b>57,320</b>          |
| <b>Total Other Equity</b>  | <b>7,38,972</b>        | <b>7,02,403</b>        |

Note: FVTOCI represents the movement of fair value of investments which are categorised at Fair value through other comprehensive income.

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 16**

Amount in ₹ '000 except per share data

|  | As at 31st<br>March, 2023 |                 | As at 31st<br>March, 2022 |                 |
|--|---------------------------|-----------------|---------------------------|-----------------|
|  |                           |                 |                           |                 |
| <b>Share capital</b>   |                           |                 |                           |                 |
| <b>Authorised</b>  |                           |                 |                           |                 |
| 4,500,000 (31 March 2022- 4,500,000) Equity Shares of Rs. 10 each  |                           | 45,000          |                           | 45,000          |
| 1,350 (31 March 2022- 1,350) 0.01% Compulsorily Convertible Preference Shares of Rs. 1,00,000 each               |                           | 1,35,000        |                           | 1,35,000        |
|  | <b>Total</b>              | <b>1,80,000</b> |                           | <b>1,80,000</b> |
| <b>Issued, Subscribed and Fully Paid up</b>  |                           |                 |                           |                 |
| 3,391,710 (31 March 2022- 3,391,710) Equity Shares of Rs. 10 each, Fully Paid up                                 |                           | 33,917          |                           | 33,917          |
| 1,315 (31 March 2022- 1,315) 0.01% Compulsorily Convertible Preference Shares of Rs.100,000 Each, Fully Paid Up. |                           | 1,31,500        |                           | 1,31,500        |
|  | <b>Total</b>              | <b>1,65,417</b> |                           | <b>1,65,417</b> |

**a. Reconciliation of the number of equity shares outstanding at the beginning and**

| Equity Shares                             | 31-Mar-23        |               | 31-Mar-22        |               |
|---|------------------|---------------|------------------|---------------|
|   | Number of shares | Amount        | Number of shares | Amount        |
| At the beginning of the year              | 33,91,710        | 33,917        | 33,91,710        | 33,917        |
| Add: Issued during the year               | -                | -             | -                | -             |
| <b>Outstanding at the end of the year</b> | <b>33,91,710</b> | <b>33,917</b> | <b>33,91,710</b> | <b>33,917</b> |

**b. Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to same right in all respect.

**c. Reconciliation of the number of preference shares outstanding at the beginning and at the end of the reporting period**

| Compulsorily Convertible Preference Shares | 31-Mar-23        |                 | 31-Mar-22        |                 |
|--|------------------|-----------------|------------------|-----------------|
|  | Number of shares | Amount          | Number of shares | Amount          |
| At the beginning of the year               | 1,315            | 1,31,500        | 1,315            | 1,31,500        |
| Add: Issued during the year                | -                | -               | -                | -               |
| <b>Outstanding at the end of the year</b>  | <b>1,315</b>     | <b>1,31,500</b> | <b>1,315</b>     | <b>1,31,500</b> |

**d. Terms/ rights attached to preference shares**

The Company has only one class of preference shares having par value of Rs. 100,000 per share. Each holder of preference share is entitled to same right in all respect. All such preference shares shall carry 0.01 % right to dividend (Non-Cumulative) and convertible within 10 Years. They shall be compulsorily converted into Equity shares "B" which shall carry voting rights to the extent of 10% of face value of Equity Share "B".

**e. Details of shareholders holding more than 5% of equity shares with voting right in company**

| Name of shareholders                   | 31-Mar-23        |          | 31-Mar-22        |          |
|--|------------------|----------|------------------|----------|
|  | Number of shares | %holding | Number of shares | %holding |
| Turnaround Consultants Private Limited | 14,75,460        | 43.50%   | 14,75,460        | 43.50%   |
| Sopan Securities Private Limited       | 6,93,250         | 20.44%   | 6,93,250         | 20.44%   |
| Dashmesh Leasing Private Limited       | 2,12,500         | 6.27%    | 2,12,500         | 6.27%    |
| Uma Srinivasan                         | 2,00,000         | 5.90%    | 2,00,000         | 5.90%    |
| Susrimat Consultants Private Limited   | 189,750          | 5.59%    | 189,750          | 5.59%    |
| Zircon Petrochem Private Limited       | 175,915          | 5.19%    | 62,535           | 1.84%    |

**f. Shareholding of Promoters**

| Promoter name                        | Shares held by promoters at the end of the year |               |                   | % Change during the year |
|--------------------------------------|---|---------------|-------------------|--------------------------|
|                                      | Year ended                                      | No. of Shares | % of Total Shares |                          |
|                                      | Turnaround Consultants Private Limited          | 31.03.2023    | 1,475,460         |                          |
|                                      | 31.03.2022                                      | 1,475,460     | 20.44%            | -                        |
| Susrimat Consultants Private Limited | 31.03.2023                                      | 189,750       | 5.59%             | -                        |
|                                      | 31.03.2022                                      | 189,750       | 5.59%             | -                        |

**g. Details of shareholders holding more than 5% of compulsorily convertible preference shares.**

| Name of shareholders        | 31-Mar-23        |          | 31-Mar-22        |          |
|-----------------------------|------------------|----------|------------------|----------|
|                             | Number of shares | %holding | Number of shares | %holding |
| Avtar Installments Pvt Ltd. | 800              | 60.84%   | 800              | 60.84%   |
| Fortune Metals Limited      | 300              | 22.81%   | 300              | 22.81%   |
| Romesh Kumar Aggarwal       | 150              | 11.41%   | 150              | 11.41%   |

Note- Compulsory convertible preference shares are treated as equity as per Ind as 32

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

| Particulars   | Amount in ₹'000                     |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
| <b>Note 18</b>  |                                     |                                     |
| <b>INTEREST INCOME-On Financial assets measured at amortised cost</b>   |                                     |                                     |
| Interest on Loan  | 23,967                              | 28,400                              |
| Interest on FDR   | 4,528                               | 969                                 |
| <b>Total</b>  | <b>28,495</b>                       | <b>29,369</b>                       |
| <b>Note 19</b>  |                                     |                                     |
| <b>FEES AND COMMISSION INCOME</b>   |                                     |                                     |
| Fees on Loans   | 100                                 | 612                                 |
| Professional Receipts   | 1,271                               | -                                   |
| <b>Total</b>  | <b>1,371</b>                        | <b>612</b>                          |
| <b>Note 20</b>  |                                     |                                     |
| <b>INCOME FROM ROOM RENT AND HOTEL SERVICES</b>   |                                     |                                     |
| Income from Room Rent and Hotel Services  | 46,744                              | 18,945                              |
| <b>Total</b>  | <b>46,744</b>                       | <b>18,945</b>                       |
| <b>Note 21</b>  |                                     |                                     |
| <b>OTHER INCOME</b>   |                                     |                                     |
| Other non operating income  | 26                                  | 758                                 |
| Liability Written-Off #1  | 1,96,887                            | -                                   |
| Profit on Sale/Redemption of Financial Assets #2  | 26,208                              | 62,475                              |
| Profit on Sale Fixed Assets   | 28                                  | -                                   |
| Profit on Sale Shares#3   | 4,995                               | -                                   |
| Rental from property  | 220                                 | 180                                 |
| Change in the Provision for Dimminution in Value of Assets  | 304                                 | -                                   |
| <b>Total</b>  | <b>2,28,668</b>                     | <b>63,414</b>                       |
| <p>#1 During the financial year 2022-23, the Company has written off the liability of Rs.19,48,11,470/- as per the provisions of The Limitation Act, 1963 as the amount was outstanding since for more than three years and Rs.20,75,599/- in respect of</p> <p>#2 During the financial year 2022-23, the Company has made a profit of Rs.2,62,07,922/- on sale/redemption of its investments in financial assets in various security receipts of Alchemist Assets Reconstruction Company Limited - Trust (Previous financial year 2021-22 Rs.6,24,75,349).</p> <p>#3 During the financial year 2022-23, the Company has made a profit of Rs.49,94,527/- on sale of equity shares held as investments for a total sale consideration of Rs.1,12,79,149/- costing Rs.62,84,622/- (Previous financial year 2021-22 Nil)</p> |                                     |                                     |
| <b>Note 22</b>  |                                     |                                     |
| <b>FINANCE COST-On financial liabilities measured at amortised cost</b>   |                                     |                                     |
| Interest on borrowings measured at amortised cost   | 179                                 | 6,055                               |
| Bank/Credit card charges  | 206                                 | 114                                 |
| Interest/Debt Settlement Expenses   | 6,807                               | 1,738                               |
| <b>Total</b>  | <b>7,191</b>                        | <b>7,907</b>                        |
| <b>Note 23</b>  |                                     |                                     |
| <b>Cost of material consumed</b>  |                                     |                                     |
| <b>Opening Stock (A)</b>  | <b>4,073</b>                        | <b>3,294</b>                        |
| <b>Purchases during the year:</b>   |                                     |                                     |
| Grocery, Provisions, F&B, Stores  | 6,128                               | 3,310                               |
| House Keeping Supplies  | 7,765                               | 1,302                               |
| <b>Total Purchases (B)</b>  | <b>13,893</b>                       | <b>4,612</b>                        |
| <b>Direct/ Production Expenses:</b>   |                                     |                                     |
| <b>Freight &amp; Cartage (C)</b>  | <b>1,133</b>                        | <b>199</b>                          |
| <b>Sub Total (D)=(A+B+C)</b>  | <b>19,099</b>                       | <b>8,104</b>                        |
| <b>Closing Stock</b>  |                                     |                                     |
| Grocery, Provisions, F&B, Stores  | 378                                 | 980                                 |
| House Keeping Supplies  | 1,360                               | 3,093                               |
| <b>Closing Stock (E)</b>  | <b>1,738</b>                        | <b>4,073</b>                        |
| <b>Net Balance (D-E)</b>  | <b>17,361</b>                       | <b>4,031</b>                        |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

| Particulars   | Amount in ₹'000                     |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2022 |
| <b>Note 24</b>  |                                     |                                     |
| <b>EMPLOYEE BENEFIT EXPENSES</b>                        |                                     |                                     |
| Salary  | 27,509                              | 21,695                              |
| Staff welfare   | 189                                 | 152                                 |
| <b>Total</b>  | <b>27,699</b>                       | <b>21,847</b>                       |
| <b>Note 25</b>  |                                     |                                     |
| <b>OTHER EXPENSES</b>                                   |                                     |                                     |
| Consumption of Diesel, Coal & Gas for maint and kitchen | 666                                 | 1,123                               |
| Electricity, Water & Power Expenses                     | 4,557                               | 3,671                               |
| Repairs & Maintenance Expenses                          | 1,318                               | 890                                 |
| Bar and Food License Fees                               | 780                                 | 727                                 |
| Art & Culture Expenses                                  | 365                                 | 223                                 |
| Diesel and petrol                                       | 480                                 | 391                                 |
| Commission  | 505                                 | 527                                 |
| Entertainment Expenses                                  | 119                                 | 46                                  |
| Legal and professional fees#1                           | 15,615                              | 6,134                               |
| Rate, fees & taxes                                      | 187                                 | 149                                 |
| Insurance   | 76                                  | 119                                 |
| Bank Charges  | 8                                   | 6                                   |
| BSE Expenses  | 90                                  | 84                                  |
| Vehicle running & maintenance                           | 113                                 | 175                                 |
| Conveyance  | 96                                  | 233                                 |
| Electricity Exps  | 42                                  | 20                                  |
| Printing & Stationery                                   | 241                                 | 187                                 |
| Tour and Travel   | 1,963                               | 1,374                               |
| Office Expenses   | 572                                 | 549                                 |
| Photostat Expenses                                      | 61                                  | 42                                  |
| Repair & Maintainance                                   | 172                                 | 163                                 |
| Business Promotion                                      | 755                                 | 596                                 |
| Interest on Income Tax, TDS, Late fee etc.              | 14                                  | 402                                 |
| Festival Expenses                                       | 131                                 | 225                                 |
| Telephone Expenses                                      | 168                                 | 143                                 |
| Director fees   | 131                                 | 0                                   |
| Postage & Courler                                       | 23                                  | 43                                  |
| Advertisement   | 71                                  | 66                                  |
| Miscellaneous Expenses                                  | 3,532                               | 1,279                               |
| Property Tax  | 31                                  | 33                                  |
| Loss on sale of financial assets#2                      | 2,06,763                            | 48,476                              |
| Loss on sale of shares                                  | 640                                 | 0                                   |
| Expected Credit Allowance#3                             | 9,157                               | 363                                 |
| CSR Expenses  | 385                                 | 0                                   |
| <b>Total</b>  | <b>2,49,825</b>                     | <b>68,459</b>                       |
| <b>#1 includes payments to auditor:</b>                 |                                     |                                     |
| - For Statutory Audit Fee                               | 226                                 | 226                                 |
| - For Tax Audit fee                                     | 51                                  | 51                                  |
|   | 130                                 | -                                   |
|   | <b>407</b>                          | <b>277</b>                          |

The Company also incurred other legal and professional expenses for its general business purpose.

#2 During the financial year 2022-23, the Company had sold its financial assets held as Security Receipts of various Alchemist Assets Reconstruction Company Limited - Trust costing Rs.49,17,63,104/- for Rs.28,50,00,000/- resulting in loss of Rs.20,67,63,104/- (Previous year 2021-22, the Company had sold its financial assets held as Security Receipts of various Alchemist Assets Reconstruction Company Limited - Trust costing Rs.11,99,76,000/- for Rs.7,15,00,000/- resulting in loss of Rs.4,84,76,000/-

#3 The Company had made provisions towards loan assets as per RBI norms for Company's standard/substandard/NPA loan assets.



**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 26**

Amount in ₹ '000 except per share data

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.  
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.  
The following data reflects the inputs to calculation of basic and diluted EPS

| Particulars  | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
| Net Profit/(loss) for the year attributable to equity shareholders                       | -6,777           | -15,124          |
| Total number of equity shares outstanding at the beginning of the year                   | 33,91,710        | 33,91,710        |
| Total number of equity shares allotted during the year                                   | -                | -                |
| Weighted average number of equity shares issued during the year                          | -                | -                |
| Weighted average number of equity shares used as denominator for calculating Basic EPS   | 33,91,710        | 33,91,710        |
| Weighted number of dilutive shares used as denominator for calculating Diluted EPS       | 44,98,889        | 45,04,993        |
| <b>Reconciliation of weighted average number of shares outstanding:</b>                  |                  |                  |
| Weighted Average number of Equity Shares used as denominator for calculating Basic EPS   | 33,91,710        | 33,91,710        |
| Total Weighted Average Potential Equity Shares   | 11,07,179        | 11,13,283        |
| Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | 44,98,889        | 45,04,993        |
| Face value per equity share  | 10.00            | 10.00            |
| Earnings/ (loss) per equity share (in Rupees)  | (6.04)           | (4.46)           |
| Dilutive Earnings/ (loss) per equity share (in Rupees)                                   | (4.55)           | (3.36)           |

**Note 27**

| (a) Disclosure of contingent liabilities  | 31st March, 2023           | 31st March, 2022   |
|---|----------------------------|--|
| (i) Estimated amount of contract remaining to be executed on Capital Account.   | Nil                        | Nil  |
| (ii) Claims against the company not acknowledged as debts   | Nil                        | Nil  |
| <b>(b) Details of legal suits filed against the defaulters by JFC Finance (India) Ltd. till the date of signing of these financials as under:</b> |                            |  |
| Name  | Judicial Authority         | Reference  |
| Ajit Solar Pvt. Ltd.  | Hon'ble NCLT, Jaipur Bench | CP(IB)-69/7/JPR/2019, Filed under section 7 of the Insolvency and Bankruptcy Code, 2016 and the application for liquidation is filed. The matter is pending. |

**(c) Previous years' figures have been recasted/ regrouped wherever required.**

**IFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 20**

**Financial Instrument Measurement and Disclosures**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial Instruments, other than those with carrying amounts that are reasonable approximations of fair value.

|   | Carrying Value |               | Fair Value    |               |
|---|----------------|---------------|---------------|---------------|
|   | 31 March 2023  | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| <b>FINANCIAL ASSETS</b>                     |                |               |               |               |
| Financial assets measured at amortised cost |                |               |               |               |
| Investments                                 | 6,19,598       | 7,05,094      | 6,19,598      | 7,05,094      |
| Cash & Cash Equivalents                     | 61,955         | 97,854        | 61,955        | 97,854        |
| Loans                                       | 3,14,291       | 2,96,033      | 3,14,291      | 2,96,033      |
| Trade Receivables                           | 21,625         | 16,309        | 21,625        | 16,309        |
| Other financial assets                      | 71,950         | 74,253        | 71,950        | 74,253        |
|   |                |               |               |               |
| <b>FINANCIAL LIABILITIES</b>                |                |               |               |               |
| Financial liabilities                       |                |               |               |               |
| Trade Payable                               | 10,125         | 8,774         | 10,125        | 8,774         |
| Debt securities                             | 2,50,000       | 2,50,000      | 2,50,000      | 2,50,000      |
| Borrowings (Other than debt securities)     | 1,21,200       | 40,582        | 1,21,200      | 40,582        |
| Other financial liabilities                 | -              | -             | -             | -             |

The management assessed that cash and cash equivalents, other bank balances approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For financial assets and liabilities that are measured at fair value the carrying amounts are equal to the fair values.

The Financial assets above don't include investment in associates which are measured at cost in accordance with IndAS 101 and Ind AS 27.

**The following methods and assumptions were used to estimate the fair value**

(i) The fair values of the unquoted equity shares have been estimated using a Cost approach. The valuation requires management to make certain assumptions about the model inputs, including Financial Statements, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for those unquoted equity investments.

|                                      | Valuation technique | Significant unobservable inputs                | Sensitivity of the input to fair value   |
|--------------------------------------|---------------------|--|--|
| <b>As on 31 March 2023</b>           |                     |  |  |
| Investment in Unquoted equity shares | Cost Method         | Financial Statements, Credit Risk & Volatility | Increase in Net Assets Value by 0.50% would result in increase in fair value by INR 34,94,727 and Decrease in Net Assets Value 0.50% would result in decrease in fair value by INR 34,94,727 respectively. |
| <b>As on 31 March 2022</b>           |                     |  |  |
| Investment in Unquoted equity shares | Cost Method         | Financial Statements, Credit Risk & Volatility | Increase in Net Assets Value by 0.50% would result in increase in fair value by INR 41,72,707 and Decrease in Net Assets Value 0.50% would result in decrease in fair value by INR 41,72,707 respectively. |

**Fair value Hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorises assets and liabilities measured at fair value in to one of three levels depending on the ability to observe inputs employed in their measurement which are described follows:

**i) Level 1**  
Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

**ii) Level 2**  
Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability

**iii) Level 3**  
Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing market participants

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023

|   | Date of valuation | Total    | Amount in ₹'000                           |  |   |
|---|-------------------|----------|---|--|---|
|   |                   |          | Quoted prices in active markets (Level 1) | Fair value measurement using Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Financial assets</b>                                     |                   |          |   |  |   |
| <b>Financial assets for which fair values are disclosed</b> |                   |          |   |  |   |
| Investments   | 31 March 2023     | 6,19,598 | 1,31,949                                  | -  | 4,87,649                                  |
| Loans   | 31 March 2023     | 3,14,291 | -   | 3,14,291   | -   |
| Trade Receivables   | 31 March 2023     | 21,625   | -   | 21,625   | -   |
| Other financial assets                                      | 31 March 2023     | 71,950   | -   | 71,950   | -   |

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2023

|  | Date of valuation | Total    | Amount in ₹'000                           |  |   |
|--|-------------------|----------|---|--|---|
|  |                   |          | Quoted prices in active markets (Level 1) | Fair value measurement using Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Liabilities for which fair values are disclosed</b> |                   |          |   |  |   |
| <b>Financial liabilities</b>                           |                   |          |   |  |   |
| Trade Payable  | 31 March 2023     | 10,125   | -   | 10,125   | -   |
| Debt securities  | 31 March 2023     | 2,50,000 | -   | 2,50,000   | -   |
| Borrowings (Other than debt securities)                | 31 March 2023     | 1,21,200 | -   | 1,21,200   | -   |
| Other financial liabilities                            | 31 March 2023     | -        | -   | -  | -   |

Financial Assets measured at amortized cost for which fair value are disclosed

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022

|   | Date of valuation | Total    | Amount in ₹'000                           |  |   |
|---|-------------------|----------|---|--|---|
|   |                   |          | Quoted prices in active markets (Level 1) | Fair value measurement using Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Financial assets</b>                                     |                   |          |   |  |   |
| <b>Financial assets for which fair values are disclosed</b> |                   |          |   |  |   |
| Investments   | 31 March 2022     | 7,05,094 | 85,769                                    | -  | 6,19,325                                  |
| Loans   | 31 March 2022     | 2,96,033 | -   | 2,96,033   | -   |
| Trade Receivables   | 31 March 2022     | 16,309   | -   | 16,309   | -   |
| Other financial assets                                      | 31 March 2022     | 74,253   | -   | 74,253   | -   |

Financial Liabilities measured at amortized cost for which fair value are disclosed

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2022

|  | Date of valuation | Total    | Amount in ₹'000                           |  |   |
|--|-------------------|----------|---|--|---|
|  |                   |          | Quoted prices in active markets (Level 1) | Fair value measurement using Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Liabilities for which fair values are disclosed</b> |                   |          |   |  |   |
| <b>Financial liabilities</b>                           |                   |          |   |  |   |
| Trade Payable  | 31 March 2022     | 8,774    | -   | 8,774  | -   |
| Debt securities  | 31 March 2022     | 2,50,000 | -   | 2,50,000   | -   |
| Borrowings (Other than debt securities)                | 31 March 2022     | 40,582   | -   | 40,582   | -   |
| Other financial liabilities                            | 31 March 2022     | -        | -   | -  | -   |

**IFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 29****Financial risk management objectives and policies**

**Amount in ₹'000**

The Company's financial liabilities comprise borrowings, and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans given, investments, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management reviews and agrees policies for managing each of these risks, which are summarized below:-

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

**a.) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have an material exposure to the risk of changes in market interest rates.

**Interest rate sensitivity**

The Company does not have an material interest rate risk accordingly sensitivity analysis is not applicable.

**b.) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have an exposure to the risk of changes in foreign exchange rates.

**Foreign currency sensitivity**

The Company does not have an exposure to the risk of changes in foreign exchange rates accordingly, the Foreign currency sensitivity is not applicable.

**Credit risk**

(a) Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to financial loss. The Company is exposed to credit risk from the financial assets/ Receivables.

| Particulars          | 31 March 2023 | 31 March 2022 |
|----------------------|---------------|---------------|
| Gross Carrying Value | 3,21,499      | 2,97,792      |
| Impairment Allowance | 10,916        | 1,759         |
| ECL Coverage Ratio   | 3.40          | 0.59          |

| Reconciliation of Impairment Allowance | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Opening Balance Sheet                  | 1,759         | 1,396         |
| Provisions made during the year        | 9,157         | 363           |
| <b>Closing Balance</b>                 | <b>10,916</b> | <b>1,759</b>  |



**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Liquidity risk**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

| Particulars                             | Amount in ₹'000 |            |                |                |                 | Total           |
|---|-----------------|------------|----------------|----------------|-----------------|-----------------|
|   | On demand       | < 3 months | 3 to 12 months | 1 to 5 years   | >5 years        |                 |
| <b>Year ended 31 March 2023</b>         |                 |            |                |                |                 |                 |
| Debt securities                         | -               | -          | -              | -              | 2,50,000        | 2,50,000        |
| Trade Payable                           | -               | 9,434      | 9,434          | 690            | -               | 10,125          |
| Borrowings (Other than debt securities) | -               | -          | -              | 1,21,200       | -               | 1,21,200        |
| Other financial liabilities             | -               | -          | -              | -              | -               | -               |
|   | -               | -          | <b>9,434</b>   | <b>121,890</b> | <b>250,000</b>  | <b>381,325</b>  |
|   |                 |            |                |                |                 |                 |
| <b>Year ended 31 March 2022</b>         |                 |            |                |                |                 |                 |
| Debt securities                         | -               | -          | -              | -              | 2,50,000        | 2,50,000        |
| Trade Payable                           | -               | -          | 7,767          | 1,007          | -               | 8,774           |
| Borrowings (Other than debt securities) | -               | -          | 8,500          | 32,082         | -               | 40,582          |
| Other financial liabilities             | -               | -          | -              | -              | -               | -               |
|   | -               | -          | <b>16,267</b>  | <b>33,089</b>  | <b>2,50,000</b> | <b>2,99,356</b> |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 30****Capital Management**

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt and borrowings (including current maturities of long term debts) less cash and cash equivalents.

| Particulars:                    | Amount in ₹'000  |                  |
|---------------------------------|------------------|------------------|
|                                 | 31 March 2023    | 31 March 2022    |
| Borrowings                      | 3,71,200         | 2,90,582         |
| Less: Cash and cash equivalents | -61,955          | -97,854          |
| <b>Net debt (A)</b>             | <b>3,09,245</b>  | <b>1,92,728</b>  |
| Equity                          | 9,04,389         | 8,67,820         |
| <b>Capital and net debt (B)</b> | <b>12,13,634</b> | <b>10,60,547</b> |
| <b>Gearing ratio [(A)/(B)]</b>  | <b>25.48%</b>    | <b>18.17%</b>    |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Notes 31****Related party relationships, transactions and balances**

In accordance with the requirements of Ind AS-24 'Related Party Disclosures', names of the related parties, related party relationships, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported periods are:

**i) Subsidiary Company**

Hotel Gaudavan Private Limited (HGPL)

#JFC Finance (India) Ltd. ("JFC") acquired HGPL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 vide order dated 13.12.2017. During the F/y 2018-19, JFC has subscribed for 5,00,11,171 equity shares @Rs.1 per share which are consolidated into Rs.10 per share and during the F/y 2021-22, JFC also purchased 10,00,000 equity shares of HGPL as a wholly owned subsidiary.

**ii) Persons having substantial interest**

Turnaround Consultants Pvt. Ltd.- Holding [TCPL] - 43.50%

Sopan Securities Pvt. Ltd.- Holding [SSPL] - 20.44 %

**iii) Key Managerial Personnel (KMP)**

Mr. Sunil Kumar

Director

Mr. Vijay Kumar Chopra

Director

Mr. Tanpreet Singh Kohli

Director

Mr. Vikas Gupta

Director

Mr. Vikaram Jeet Rana

Chief Financial Officer

Mr. Jatin Chopra (Mar-2022 begin date till May-22)

Company Secretary

Mr. Rohit (Aug-2022 begin date till Sept-22)

Company Secretary

Ms. Shruti Jain (Begin date March-23)

Company Secretary

**iv) Enterprises over which key management personnel or their relatives exercise significant influence**

Subrimat Consultants Private Limited [SCPL]

**v) Other Related Parties**

Mr. DhanaJai Gautam

Independent Director of the Company

| Particulars                      | Nature of Amount Outstanding | Amount in ₹'000 |           |
|----------------------------------|------------------------------|-----------------|-----------|
|                                  |                              | 31-Mar-23       | 31-Mar-22 |
| Turnaround Consultants Pvt. Ltd. | Security Deposit Received    | 8               | 8         |
| Hotel Gaudavan Pvt. Ltd.         | Loan Given                   | 1,48,738        | 2,36,538  |
| Mr. Vijay Kumar Chopra           | Payable- Remuneration        | 48              | 50        |
| Mr. DhanaJai Gautam              | Payable- Remuneration        | 108             | 90        |
| Mr. Sunil Kumar                  | Payable- Remuneration        | 40              | 40        |
| Mr. Tanpreet Singh Kohli         | Payable- Fee                 | 18              | 0         |
| Mr. Vikas Gupta                  | Payable- Fee                 | 18              | 0         |
| Mr. Vikaram Jeet Rana            | Payable- Remuneration        | 77              | 100       |
| Ms. Shruti Jain                  | Payable- Remuneration        | 45              | 0         |
| Mr. Jatin Chopra                 | Payable- Remuneration        | 36              | 36        |



**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

| Particulars   | Subsidiary Company |           | Key managerial personnel |           | Relatives of Key |           | Enterprises over which Key |           | Amount in ₹'000 |         |
|---|--------------------|-----------|--------------------------|-----------|------------------|-----------|----------------------------|-----------|-----------------|---------|
|   | 31-Mar-23          | 31-Mar-22 | 31-Mar-23                | 31-Mar-22 | 31-Mar-23        | 31-Mar-22 | 31-Mar-23                  | 31-Mar-22 | 31-Mar-23       | Total   |
| <b>Transactions with related parties</b>                  |                    |           |                          |           |                  |           |                            |           |                 |         |
| <b>Payments made regarding Loan Given</b>                 |                    |           |                          |           |                  |           |                            |           |                 |         |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                | -         | -                          | 200       | -               | 200     |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | 10,000    | -               | 10,000  |
| Hotel Gaudavan Pvt. Ltd.                                  | 82,200             | 213,400   | -                        | -         | -                | -         | -                          | -         | 82,200          | 213,400 |
| <b>Receipts from Loan Given</b>                           |                    |           |                          |           |                  |           |                            |           |                 |         |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                | -         | -                          | 400       | -               | 400     |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | 517       | 198             | 517     |
| Hotel Gaudavan Pvt. Ltd.                                  | 170,000            | 30,000    | -                        | -         | -                | -         | -                          | -         | 170,000         | 30,000  |
| <b>Interest Receivable due on Loans Given</b>             |                    |           |                          |           |                  |           |                            |           |                 |         |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                | -         | -                          | 2,122     | -               | 2,122   |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | 1,952     | -               | 1,952   |
| <b>Interest Received on Loans Given</b>                   |                    |           |                          |           |                  |           |                            |           |                 |         |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | 995       | -               | 995     |
| <b>Conversion of Loan Given &amp; Interest into CCD's</b> |                    |           |                          |           |                  |           |                            |           |                 |         |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                | -         | -                          | 27,000    | -               | 27,000  |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | 29,000    | -               | 29,000  |
| <b>Sale of CCD</b>  |                    |           |                          |           |                  |           |                            |           |                 |         |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | -         | 2,363           | 2,363   |
| <b>Purchase of CCD</b>                                    |                    |           |                          |           |                  |           |                            |           |                 |         |
| Susrimat Consultants Pvt. Ltd.                            | -                  | -         | -                        | -         | -                | -         | -                          | 1,000     | -               | 1,000   |
| <b>Rental Income due</b>                                  |                    |           |                          |           |                  |           |                            |           |                 |         |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                | -         | -                          | 60        | 60              | 60      |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | 60        | 60              | 60      |
| <b>Rental Income Received</b>                             |                    |           |                          |           |                  |           |                            |           |                 |         |
| Turnaround Consultants Pvt. Ltd.                          | -                  | -         | -                        | -         | -                | -         | -                          | 60        | 60              | 60      |
| Sopan Securities Pvt. Ltd.                                | -                  | -         | -                        | -         | -                | -         | -                          | 60        | 60              | 60      |
| <b>Remuneration Paid:</b>                                 |                    |           |                          |           |                  |           |                            |           |                 |         |
| Mr. Sunil Kumar   | -                  | -         | 480                      | 480       | -                | -         | -                          | -         | 480             | 480     |
| Mr. Vijay Kumar Chopra                                    | -                  | -         | 600                      | 600       | -                | -         | -                          | -         | 600             | 600     |
| Mr. Vikram Jeet Rana                                      | -                  | -         | 1,200                    | 1,200     | -                | -         | -                          | -         | 1,200           | 1,200   |
| Mr. Jatin Chopra  | -                  | -         | -                        | 36        | -                | -         | -                          | -         | -               | 36      |
| Mr. Ronit   | -                  | -         | 128                      | -         | -                | -         | -                          | -         | 128             | 128     |
| Ms. Shruti Jain   | -                  | -         | 107                      | -         | -                | -         | -                          | -         | 107             | 107     |
| <b>Directorship Fee Paid:</b>                             |                    |           |                          |           |                  |           |                            |           |                 |         |
| Mr. Tanpreet Singh Kohli                                  | -                  | -         | 40                       | -         | -                | -         | -                          | -         | 40              | 40      |
| Mr. Vikas Gupta   | -                  | -         | 40                       | -         | -                | -         | -                          | -         | 40              | 40      |
| Mr. Dhanajay Gautam                                       | -                  | -         | 40                       | -         | -                | -         | -                          | -         | 40              | 40      |
| <b>Professional Fee Paid:</b>                             |                    |           |                          |           |                  |           |                            |           |                 |         |
| Mr. Dhanajay Gautam                                       | -                  | -         | 1,100                    | 850       | -                | -         | -                          | -         | 1,100           | 850     |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 32**

**Interest in Other Company- Subsidiary**

The Consolidated financial statements of the Group includes subsidiaries as below:

| Name of Subsidiary Company     | Country of Incorporation | Ownership Interest |           |
|--------------------------------|--------------------------|--------------------|-----------|
|                                |                          | 31-Mar-23          | 31-Mar-22 |
| Hotel Gaudavan Private Limited | India                    | 100.00%            | 100.00%   |

Financial information of subsidiary that have non controlling interests is as follows:

| Hotel Gaudavan Private Limited | 31-Mar-23 | 31-Mar-22 |
|--------------------------------|-----------|-----------|
|                                | -         | -         |
|                                | -         | -         |

Accumulated balance of non-controlling interest

Total Comprehensive income attributable to non-controlling interest during the year

Summarised financial information of the subsidiarys provided below:

Summarised statement of profit and loss for the year ended

| Particulars                              | 31-Mar-23 | 31-Mar-22 |
|--|-----------|-----------|
| Revenue from Operations                  | 46,744    | 18,945    |
| Other Income                             | 2,102     | 476       |
| Operating Expenses                       | 69,298    | 37,744    |
| Profit / (loss ) before tax              | -20,451   | -18,456   |
| Income tax expenses                      | 29        | -246      |
| Profit / (loss ) for the year            | -20,481   | -18,210   |
| Other comprehensive income               | -         | -         |
| Total comprehensive income               | -20,481   | -18,210   |
| Attributable to non-controlling interest | -         | -         |

Summarised balance sheet as at 31 March 2023 and 31 March 2022

| Particulars  | 31-Mar-23 | 31-Mar-22 |
|--|-----------|-----------|
| Property, plant and equipment and other non current assets | 3,14,959  | 2,33,489  |
| Investment   | 3         | 3         |
| Loans  | 3,708     | 2,782     |
| Trade Receivable   | 413       | 1,221     |
| Inventories  | 1,765     | 4,105     |
| Cash and cash equivalents                                  | 1,341     | 6,342     |
| Other Current assets                                       | 13,377    | 11,571    |
| Borrowings   | 2,69,938  | -268,620  |
| Trade Payable  | 1,48,738  | 8,774     |
| Total Equity   | -63,627   | -43,147   |
| Attributable to Non-Controlling Interest                   | -         | -         |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Summarised cash flow information for the year ended 31 March 2023 and 31 March 2022**

| Particulars | Amount in ₹'000 |           |
|-------------|-----------------|-----------|
|             | 31-Mar-23       | 31-Mar-22 |
| Operating   | -2,591          | -13,645   |
| Investing   | -86,916         | -54,884   |
| Financing   | 84,305          | 65,298    |

**Note 33**

**Statutory Group Information**

| Name of Entity   | Net Assets                      |                 | Share in Profit/(Loss)             |                | Share in Other Comprehensive/(Loss) |               | Share in Total Other Comprehensive Income |               |
|--|---------------------------------|-----------------|------------------------------------|----------------|-------------------------------------|---------------|---|---------------|
|  | as % of consolidated net assets | Amount          | as % of consolidated profit/(loss) | Amount         | as % of consolidated Comprehensive  | Amount        | as % of consolidated Comprehensive        | Amount        |
| <b>Parent Company</b>                                  |                                 |                 |                                    |                |                                     |               |   |               |
| JFC Finance India Limited                              |                                 |                 |                                    |                |                                     |               |   |               |
| 31-Mar-23  | 107%                            | 9,68,017        | 202.22%                            | 13,704         | 100%                                | 45,946        | 100.00%                                   | 59,650        |
| 31-Mar-22  | 105%                            | 9,10,966        | -20.41%                            | 3,086          | 100%                                | 57,512        | 100.00%                                   | 60,598        |
| <b>Subsidiary Company</b>                              |                                 |                 |                                    |                |                                     |               |   |               |
| Hotel Gaudavan Private Limited                         |                                 |                 |                                    |                |                                     |               |   |               |
| 31-Mar-23  | -7%                             | -63,627         | -302.22%                           | -20,481        | -                                   | -             | -   | -20,481       |
| 31-Mar-22  | -5%                             | -43,147         | 120.41%                            | -18,210        | -                                   | -             | -   | -18,210       |
| <b>Elimination and adjustment due to Consolidation</b> |                                 |                 |                                    |                |                                     |               |   |               |
| 31-Mar-23  | 18%                             | 1,66,338        | -                                  | -              | -                                   | -             | -   | -             |
| 31-Mar-22  | 29%                             | 2,51,538        | -                                  | -              | -                                   | -             | -   | -             |
| <b>31-Mar-23</b>                                       | <b>100%</b>                     | <b>9,04,389</b> | <b>-100%</b>                       | <b>-6,777</b>  | <b>100%</b>                         | <b>45,946</b> | <b>100.00%</b>                            | <b>39,169</b> |
| <b>31-Mar-22</b>                                       | <b>100%</b>                     | <b>8,67,820</b> | <b>100%</b>                        | <b>-15,124</b> | <b>100%</b>                         | <b>57,512</b> | <b>100.00%</b>                            | <b>42,388</b> |

**JFC FINANCE (INDIA) LIMITED**

The notes are an integral part of these consolidated financial statements for the year ending on 31st March, 2023.

**Note 34****The disclosure pursuant to the micro, small and medium enterprises development act, 2006, [MSMED Act] as at March 31, 2023 and March 31, 2022 is as under:**

| S.No. | Particulars  | Amount in ₹'000   |                   |
|-------|--|-------------------|-------------------|
|       |  | On March 31, 2023 | On March 31, 2022 |
| 1     | Principal amount remaining unpaid.   | -                 | -                 |
| 2     | Interest due thereon remaining unpaid.   | -                 | -                 |
| 3     | Interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day.  | -                 | -                 |
| 4     | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act.  | -                 | -                 |
| 5     | Interest accrued and remaining unpaid.   | -                 | -                 |
| 6     | Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises or the purpose of disallowance as a deductible expenditure under section 23. | -                 | -                 |

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**b. Corporate Social Responsibility (CSR) expenses as at March 31, 2023 and March 31, 2022 is as under:**

| S.No. | Particulars  | Amount in ₹'000  |                   |
|-------|--|--|-------------------|
|       |  | On March 31, 2023  | On March 31, 2022 |
| 1     | Amount required to be spent during the year.                                 | 385  | -                 |
| 2     | Amount spent during the year   |  |                   |
|       | a. Amount spent on CSR projects/ Programmes                                  | 385  |                   |
|       | b. Amount transferred to unspent CSR account for ongoing projects of         | -  | -                 |
| 3     | Amount offset against CSR Liability  | -  | -                 |
| 4     | Amount of shortfall at the end of the year, out of the amount required to be | -  | -                 |
| 5     | Amount spent from unspent CSR during the financial year                      | -  | -                 |
| 6     | Total of previous year shortfall   | -  | -                 |
| 7     | Nature of CSR activities   | Promoting education including spritual, employment skills etc. | -                 |
| 8     | Details of related party transactions.                                       | -  | -                 |

UDIN: 23511685BGXAKX9264

As per our report of even date attached  
**For Sandeep Kumar Singh & Co.**  
 Chartered Accountants  
 Firm Regn. No.035528N

**For & on behalf of the Board of Directors**

S/d

S/d

S/d

S/d

S/d

**(CA Sandeep Kumar Singh)**  
 Membership No.511685  
 Proprietor  
 Place :New Delhi  
 Date: 29-May-2023

**(Vijay Kumar Chopra)**  
 Director  
 DIN:03462730

**(Sunil Kumar)**  
 Director  
 DIN:03247767

**(Vikaram Jeet Rana)**  
 Chief Financial Officer  
 PAN: ALQPR3986B

**(Shruti Jain)**  
 Company Secretary  
 PAN: BDBPJ0088C

**Form No. MGT-11**

|  |
|--|
| JFC Finance (India) Limited<br>Registered Office: P-32, Lower Ground Floor, South Extension, Part - II, New Delhi – 110049<br>CIN: U74899DL1995PLC072767 |
|--|

**Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

|                       |                     |       |
|-----------------------|---------------------|-------|
| Name of the Member(s) |                     |       |
| Registered Address    |                     |       |
| E-mail Id:            | Folio No /Client ID | DP ID |

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

|                            |            |
|----------------------------|------------|
| Name :                     | E-mail Id: |
| Address:                   |            |
| Signature , or failing him |            |

|                            |            |
|----------------------------|------------|
| Name :                     | E-mail Id: |
| Address:                   |            |
| Signature , or failing him |            |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the 30<sup>th</sup> day of September, 2023 at 3 p.m. at the Registered Office of Company P-32, Lower Ground Floor, South Extension, Part - II, New Delhi – 110049 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Resolution(S)  | Vote |         |
|--------|--|------|---------|
|        |  | For  | Against |
| 1.     | To consider and adopt the Standalone and Consolidated Audited Financial Statement of the Company for the financial year ended on 31st March, 2023 and the Report of the Board of Directors' and Auditor's thereon. |      |         |
| 2.     | To appoint a Director in place of Mr. Sunil Kumar, who retires by rotation and being eligible offers himself for re-appointment.   |      |         |
| 3.     | To adopt of New Set of Articles of Association of Company inter-alia pursuant to the Companies Act, 2013   |      |         |

\* Applicable for investors holding shares in Electronic form.

|                         |
|-------------------------|
| Affix Revenue<br>Stamps |
|-------------------------|

Signed this \_\_\_\_ day of September 2023

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder  
Across Revenue Stamp

**Note:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

The proxy need not be a member of the company

**ATTENDANCE SLIP**  
**(To be presented at the entrance)**

Annual General Meeting of the members of M/s **JFC FINANCE (INDIA) LIMITED** held on 30<sup>th</sup> day of September, 2023 at 3:00 PM at the Registered Office of the Company situated at P-32, Lower Ground Floor, South Extension, Part - II, New Delhi – 110049

Registered Folio No.: .....

No. of shares: .....

Name of the Member: .....

Signature: .....

Name of the Proxy holder: .....

Signature: .....

I/WE, ....., hereby confirm that I/We have duly received the Notice of the Annual General Meeting of JFC Finance (India) Limited and record my/our presence at this meeting to be held on Saturday, 30<sup>th</sup> Day of September, 2023 at 3:00 PM at its Registered Office at P-32, Lower Ground Floor, South Extension, Part - II, New Delhi – 110049.

Note:

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of this Notice for reference at the Meeting.

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## Road Map of the location of the venue of Annual General Meeting

