

Nemani Garg Agarwal & Co.

ICAI Firm Registration No.- 010192N

(Chartered Accountants)

1517 Devika Towers, 6 Nehru Place New -Delhi-110019

E-mail:- sknemani@sknemani.com; nemani61@gmail.com

Tel.Nos:- 0120 -2770538/40; 011-26448033; +91-9811026144

INDEPENDENT AUDITORS' REPORT

To
The Members of
JFC FINANCE (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **JFC Finance (India) Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

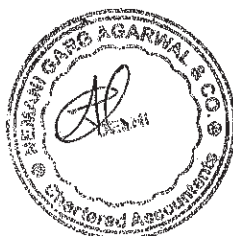
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the order'), issued by the Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we give in the **Annexure – 'A'** statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, 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) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Nemani Garg Agarwal & Co.

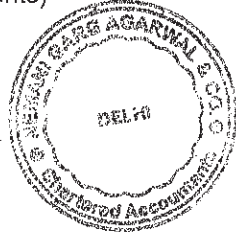
(Chartered Accountants)

F.R. No. 010192N


(Akash Chandra)

Partner

M.No. 530848



Place: New Delhi

Date: 30.06.2016

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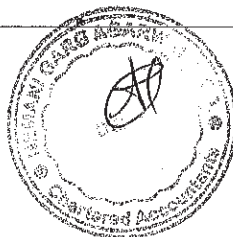
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M/s. JFC FINANCE (INDIA) LIMITED

Annexure A to the Auditors' Report

The Annexure referred to in our report to the members of JFC Finance (India) Limited (the Company) for the year Ended on 31st March, 2016. We report that:

S. No.	Particulars	Auditors Remarks
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verification.
	(c) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	Yes
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account;	The company doesn't have inventory during the year.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so,	During the year company has given unsecured loan to following parties which are covered under section 2(76) of the Companies Act, 2013: 1. Turnaround Consultants Pvt. Ltd. 2. Sopan Securities Pvt. Ltd.
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	The company has given a moratorium period of 2 Years for payment of interest and principal which is given



		under ordinary course of business of the Company.
	(b) Whether receipt of the principal amount and interest are regular. If not provide details thereof; and	No amount was due during the year 2015-16.
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable
(iv)	In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide details thereof.	The company is a NBFC and it is engaged in the lending activities regularly. So this clause is not applicable.
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted deposits, So this clause is not applicable to the Company.
(vi)	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained;	Maintenance of cost records have not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 to the company.
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-Lax, , service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	The company is generally regular in deposit of statutory dues and there is no undisputed statutory due is payable for more than six months as at balance sheet date.
	(b) Where dues of income tax or sales tax or	No dues of income tax or



	service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	sales tax or service tax or duty of customs or duty of excise is outstanding on account of any dispute.
(viii)	<p>Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported (in case of banks and financial institutions, lender wise details to be provided).</p> <p>The company has made some defaults in terms of payment of interest and principle repayment on term loans to banks. Detail of defaults are as below:</p>	The company has not defaulted in repayment of dues to financial institution or bank or debenture holder.
(ix)	Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported;	During the year 2015-16, company has raised a term loan of Rs. 23.84 lacs from ICICI Bank Ltd and the same has been used for the purpose it was raised.
(x)	Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; if yes, the nature and the amount involved be indicated.	No fraud has been reported for the year under concern.
(xi)	Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.	Managerial remuneration paid by the company during the year is within the limit specified under section 197 of the Companies Act, 2013.
(xii)	Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability.	The Company is not a Nidhi Company. Hence this clause is not applicable.
(xiii)	Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the	The company has entered the following transaction with related parties: 1. Unsecured loan

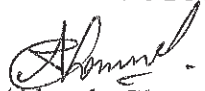


	Financial Statements etc. as required by the accounting standards and Companies Act, 2013.	granted 2. Sale of Car. The company has complied provisions of Companies Act, 2013 in relation to above transaction and these have been disclosed in 'Note 25' of the Notes to Accounts.
(xiv)	Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.	The Company has not made any preferential allotment/ private placement during the financial year 2015-16
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	The company has not entered into any non-cash transactions with directors or persons connected with him. Hence this clause is not applicable to the Company.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Company is registered with Reserve Bank of India as Non Banking Finance Company vide registration no. 14.01156 dated 15 th September 1998.

For Nemani Garg Agarwal & Co.

(Chartered Accountants)

F.R. No. 010192N



(Akash Chandra)

Partner

M.No. 530848



Place: New Delhi

Date: 30.06.2016

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **JFC Finance (India) Limited** ("the Company") as of March 31, 2016 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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.

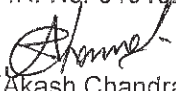
Opinion

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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Nemani Garg Agarwal & Co.

(Chartered Accountants)

F.R. No. 010192N


(Akash Chandra)
Partner
M.No. 530848



Place: New Delhi

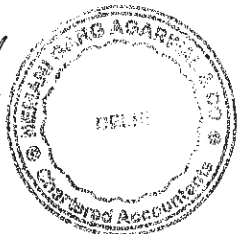
Date: 30.06.2016

JFC FINANCE (INDIA) LIMITED
BALANCE SHEET AS AT 31st MARCH, 2016
 (All amounts are in Rupees)

	NOTES	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	33,917,100	33,917,100
Reserves and Surplus	3	492,535,721	486,097,565
Non-Current Liabilities			
Long-Term Borrowings	4	1,673,743	-
Current Liabilities			
Short Term Borrowings	5	-	30,000,000
Other Current Liabilities	6	591,429,421	292,864,397
Short Term Provisions	7	6,622,868	1,814,600
Total		1,126,178,853	844,693,662
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	2,750,126	2,182,463
Deferred Tax Assets	9	3,369,022	1,737,547
Non Current Investments	10	61,590,350	12,112,396
Long Term Loans & Advances	11	612,619,810	184,497,483
Current Assets			
Current Investments	12	258,084,635	393,956,923
Trade Receivable	13	20,560	265,170
Cash and Cash Equivalents	14	1,076,413	950,418
Short Term Loans and Advances	15	186,667,937	242,184,442
Other Current Assets	16	-	6,806,820
Total		1,126,178,853	844,693,662
Summary of significant accounting policies	1		
Notes forming part of financial statements	2-29		

As per our report of even date attached
For Nemani Garg Agarwal & Co.
 Chartered Accountants
 Firm Regn. No.010192N



 (Akash Chandra)
 Partner
 M.No.530848



Place: New Delhi
 Date : 30.06.2016

For & on behalf of Board of Directors


 (Sunil Kumar)
 Director


 (Vijay Kumar Chopra)
 Director



JFC FINANCE (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016
 (All amounts are in Rupees)

	NOTES	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue			
Revenue from Operations	17	42,161,579	15,069,360
Other Income	18	2,136,141	3,909,168
Total Revenue		44,297,720	18,978,528
Expenses			
Employee benefit expenses	19	3,646,655	3,006,602
Depreciation	8	1,357,881	1,004,017
Financial Expenses	20	508,598	42,037
Other expenses	21	28,766,083	7,952,865
Total Expenses		34,279,217	12,005,521
Profit Before Tax		10,018,503	6,973,007
Tax Expenses			
Current Tax		5,211,821	1,814,600
Deferred Tax		(1,631,475)	(410,830)
Profit for the Year		6,438,156	5,569,237
Earning per share			
-Basic	22	1.90	1.64
-Diluted		1.90	1.64
Summary of significant accounting policies	1		
Notes forming part of financial statements	2-29		

As per our report of even date attached
For Nemani Garg Agarwal & Co.
 Chartered Accountants
 Firm Regn. No.010192N


(Akash Chandra)
 Partner
 M.No.530848



Place :New Delhi
 Date : 30.06.2016

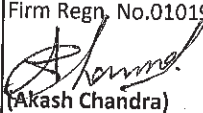




For & on behalf of Board of Directors


(Sunil Kumar)
 Director


(Vijay Kumar Chopra)
 Director



JFC FINANCE (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016
 (All amounts are in Rupees)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Profit for the Year	6,438,156	5,569,237
Add: Non Cash Items/Non Operating Items		
Depreciation	1,357,881	1,004,017
Provision for diminution in value of investment	3,432,046	98,470
Provision for Tax	3,580,346	1,403,770
Contingent Provision against Standard Assets	1,411,047	-
Profit on sale of financial assets/shares	(2,028,773)	(3,884,884)
Cash flow from operating activities without working capital changes	14,190,703	4,190,610
Add: Working Capital Changes		
Changes in other current liabilities	272,543,476	(14,896,003)
Changes in other current assets and loans and advances	(365,554,392)	69,153,118
Cash flow from operating activities before tax paid	(78,820,213)	58,447,725
Less: Tax Paid	(4,119,309)	(1,496,027)
Cash flow from operating activities (A)	(82,939,522)	56,951,698
Cash Flow from investing activities		
Purchase of investment	(97,058,797)	(82,803,736)
Sale of investment	182,049,858	13,700,331
Purchase of fixed assets	(1,925,544)	(105,399)
Cash Flow from investing activities (B)	83,065,517	(69,208,804)
Cash Flow from financing activities (C)		
Changes in Cash and Cash Equivalents	125,995	(12,257,106)
Opening Cash and Cash equivalents	950,418	13,207,524
Closing Cash and Cash equivalents	1,076,413	950,418
Cash and cash equivalent comprises:		
Cash in hand	64,560	401,082
Balance with banks	1,011,853	549,336
Total	1,076,413	950,418
Summary of significant accounting policies	1	
Notes forming an integral part of financial statements	2-29	
As per our report of even date attached		
For Nemani Garg Agarwal & Co.		
Chartered Accountants		
Firm Regn. No.010192N		
 (Akash Chandra) Partner M.No.530848		For & on behalf of Board of Directors
Place :New Delhi		 (Sunil Kumar) Director
Date : 30.06.2016		 (Vijay Kumar Chopra) Director
		

JFC FINANCE (INDIA) LIMITED

Notes forming part of financial statements

(All amounts are in Rupees)

1. SIGNIFICANT ACCOUNTING POLICIES

a. ACCOUNTING BASIS & CONVENTION

Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Policies (GAAP) under the historical cost convention on an accrual basis and in accordance with Accounting Standards issued by ICAI.

However in terms of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 incomes (including unrealised income) as under are recognized on realisation of the following events.

- i.) Income including interest / discount or any other charges on NPA.
- ii.) Income on Hire Purchase Assets where instalments are overdue for more than 12 months.
- iii.) Income by way of lease rental when the lease rental is overdue for more than 12 months.

b. FIXED ASSETS

Fixed assets have been stated at their historic cost.

c. DEPRECIATION

- i) Depreciation on Fixed Assets is provided on Written Down Value Method based upon the useful life of the asset prescribed under the schedule II of the Companies Act, 2013.
- ii) Depreciation on Fixed Assets purchased/ disposed of during the year is provided on Pro-rata Basis.

d. IMPAIRMENT

The management periodically assesses, using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount.

e. INVESTMENTS

Long Term Investments (Non Current Investments) are valued at cost unless there is a permanent decline in value thereof. Current Investments are valued at cost or fair market value whichever is lower. Investments having maturity more than 12 months have been recognised as non current investments and investments having shorter maturity are classified as current investments.

f. BORROWING COST

Borrowing costs are capitalized as part of qualifying fixed assets when it is possible that they will result in future economic benefits. Other borrowing costs are expensed.

g. INCOME TAX

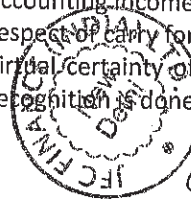
Income tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred tax as stated below:

a) Current Tax

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act 1961.

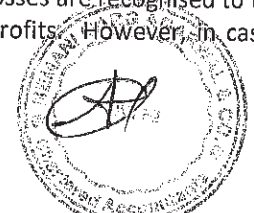
b) Deferred Tax

Deferred Income Tax is recognised for the current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred Tax Assets in respect of carry forward of unabsorbed depreciation and tax losses are recognised to the extent there is virtual certainty of their realisation against further taxable profits. However, in case of other items, recognition is done on the basis of reasonable certainty.



Signature

Signature



h. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of financial statements comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less at the end of reporting period. Cash flow statement is prepared using the indirect method.

i. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:

- i) the Company has a present obligation as a result of a past event;
- ii) a probable outflow of resources embodying economic benefits will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

Contingent Liability is disclosed in the case of:

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- ii) a possible obligation, that arises out of past events and the existence of which will be confirmed only by one or more uncertain future events unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognised.

j. EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity Shareholder's by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted number of shares outstanding during the period for the effect of all dilutive potential equity shares.

k. FOREIGN EXCHANGE DIFFERENCES

Foreign Currency transactions are recorded at the rate of exchange prevailing on the date when the relevant transaction takes place. Exchange differences arising on settlement / conversion are recognised in the Statement of Profit & Loss Account. Exchange differences arising on reporting of long term monetary assets at rates different from those at which they were initially reported during the period or previous periods in so far they relate to the acquisition of depreciable capital asset is added to or deducted from the cost of assets.



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JFC FINANCE (INDIA) LIMITED
Notes forming part of financial statements
(All amounts are in Rupees)

2 Share capital

	As at 31st March, 2016	As at 31st March, 2015
Authorised		
3,500,000 Equity Shares of Rs. 10/- each (Previous year 3,500,000 equity shares of Rs. 10/- Each)	35,000,000	35,000,000
Issued, Subscribed and Fully Paid up		
3,391,710 Equity Shares of Rs. 10/- each (Previous year 3,391,710 equity shares of Rs. 10/- Each)	33,917,100	33,917,100
Total	33,917,100	33,917,100

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

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
At the beginning of the period	3,391,710	33,917,100	3,391,710	33,917,100
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	3,391,710	33,917,100	3,391,710	33,917,100

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

Name of shareholders	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	%	Number of shares	%
Turnaround Consultants Private Limited	1,389,710	40.97	1,389,710	40.97
Sopan Securities Private Limited	693,250	20.44	693,250	20.44
Dashmesh Leasing Private Limited	212,500	6.27	212,500	6.27
Annalakshmi Trading Private Limited	106,710	3.15	250,500	7.39
Uma Srinivasan	200,000	5.90	200,000	5.90

3 Reserves and surplus

Securities premium account

Opening balance	466,934,900	466,934,900
Add: Addition during the year	-	-
Closing balance	466,934,900	466,934,900

Statutory reserve

Opening balance	3,883,696	2,769,849
Add: Transfer from surplus	1,287,631	1,113,847
Closing Balance	5,171,328	3,883,696

Surplus

Opening Balance	15,278,969	10,823,579
Add: Profit for the Year	6,438,156	5,569,237
Less: Transfer to statutory reserve	1,287,631	1,113,847
Closing Balance	20,429,493	15,278,969

Total

492,535,721	486,097,565
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JFC FINANCE (INDIA) LIMITED
Notes forming part of financial statements
(All amounts are in Rupees)

	As at 31st March, 2016	As at 31st March, 2015
4 Long term borrowings		
Secured Loan		
-From ICICI Bank Ltd. *	16,73,743	-
Total	<u>16,73,743</u>	<u>-</u>
*Terms and Conditions of secured loan		
Auto Loan of Rs.23,84,000/- at 10.01% P.A. interest, repayable in monthly equated 60 installments of Rs.50,665/- each		
5 Short term borrowings		
Unsecured		
-From others	-	300,00,000
Total	<u>-</u>	<u>300,00,000</u>
6 Other current liabilities		
Advance received for acquiring assets	2076,80,056	2859,90,056
Security Deposits	2557,00,000	-
Other Advances/Amounts Payable	1274,76,984	64,28,621
Current maturities of long term debt	4,17,454	-
Interest accrued and due on borrowings	17,445	-
Statutory taxes payable	1,37,482	4,45,720
Total	<u>5914,29,421</u>	<u>2928,64,397</u>
7 Short term provisions		
Provisions for Income tax	52,11,821	18,14,600
Contingent Provisions against Standard Assets	14,11,047	-
Total	<u>66,22,868</u>	<u>18,14,600</u>
9 Deferred tax assets (Net)		
-On account of depreciation	4,21,777	2,30,016
-On account of provision for diminution in investment	24,80,711	12,57,919
-On account of losses to be carried forward	-	2,49,617
-On account of contingent provision on standard assets	4,66,534	-
Total	<u>33,69,022</u>	<u>17,37,547</u>
10 Non current investments		
Investment in equity shares		
Quoted, fully paid up		
18 Equity Shares (Previous Year 18) of Coventy Cell Olvatic Limited	144	144
23,96,263 Equity Shares (Previous year 23,96,263) of Deccan Chronicle Holdings Limited	102,53,187	102,53,187
Total	<u>102,53,331</u>	<u>102,53,331</u>
Less: Provision/(Reversal) for diminution in value of investment	52,92,981	40,70,935
	<u>49,60,350</u>	<u>61,82,396</u>
Investment in equity shares		
Unquoted, fully paid up		
5,000 (Previous year 5,000) Equity Shares of Sopen Securities Private Limited	19,30,000	19,30,000
20,000 (Previous year 20,000) Equity Shares of Turnaround Consultants Private Limited	40,00,000	40,00,000
Investment in Compulsorily Convertible Debentures- unquoted, fully paid up		
0% Compulsorily Convertible Debentures (CCDs) after expiry of 60 months		
26,50,000 (Previous year Nil) CCDs of Zircon Petrochem Pvt. Ltd	265,00,000	-
24,20,000 (Previous year Nil) CCDs of Turquoise Metals & Electricals Pvt. Ltd	242,00,000	-
Total	<u>615,90,350</u>	<u>121,12,396</u>
Market Value of Quoted investments at the end of financial reporting period	49,60,350	61,82,396
Cost of acquisition of quoted investment at the end of financial reporting period.	102,53,331	102,53,331
11 Long term loans and advances		
Secured and considered good		
Term loan		
Inter Corporate Deposits	2608,68,610	590,61,283
Unsecured and considered good	3037,50,000	-
Capital advances	482,00,000	1254,36,000
Security Deposit	1,200	1,200
Total	<u>6128,19,810</u>	<u>1244,97,483</u>



JFC FINANCE (INDIA) LIMITED
Notes forming part of financial statements
(All amounts are in Rupees)

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2015	Additions during the year	Deductions during the year	As at 31.03.2016	As at 01.04.2015	Provided during the year	Deductions during the year	As at 31.03.2016	As at 31.03.2015
Office Premises at Ajun Nagar, New Delhi	371,000	-	-	371,000	71,358	14,563	-	285,079	299,642
Car	4,262,512	2,995,808	3,636,888.00	3,621,432	2,497,348	1,269,279	2,529,874.00	2,384,679	1,765,164
Furniture and Fixtures	55,000	-	-	55,000	20,958	9,057	-	24,985	34,042
Computers	230,399	36,750	-	267,149	146,784	64,982	-	55,383	83,615
Total	4,918,911	3,032,558	3,636,888	4,314,581	2,736,448	1,357,881	2,529,874	1,564,455	2,182,463
Previous Year	4,813,512	105,399	-	4,918,911	1,732,431	1,004,017	-	2,736,448	3,081,081

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JFC FINANCE (INDIA) LIMITED
Notes forming part of financial statements
(All amounts are in Rupees)

	As at 31st March, 2016	As at 31st March, 2015
12 Current investments		
Quoted		
Investment in equity shares		
4,04,142 Equity Shares (previous year 6,39,142) of Lords Chloro Aikali Limited	4,997,994	7,904,221
Unquoted		
13,28,125 (Previous year Nil) Equity Shares of Cygnet Projects Private Limited	21,256,596	-
19,60,000 (Previous year Nil) Equity Shares of Sri Parthasarthy Infrastructure Projects Private Limited	19,600,000	-
Total	40,856,596	-
Less: Provision for diminution in value of investment	-	-
	45,854,591	7,904,221
Investment in security receipts		
Nil (Previous year 104,500 SRs) of Alchemist XII Trust	-	104,500,000
51,700 SRs (Previous year 51,700) of Alchemist XII Trust	32,555,142	51,700,000
Nil (Previous year 70 SRs) of ARCIL SBPS-002	-	91,100
17,000 SRs (Previous year 17,000 SRs) of Alchemist-XVIII TRUST	12,749,669	12,749,669
3,300 SRs (Previous year 3,300 SRs) of Alchemist XIV Trust	10,703,300	14,000,000
2,210 SRs (Previous year Nil) of Alchemist XVI Trust	2,210,000	-
1,50,000 SRs (Previous year 2,00,000 SRs) of Alchemist XVII Trust	150,000,000	200,000,000
2,210 SRs (Previous year Nil) of Alchemist XXX Trust	2,210,000	-
	210,428,111	383,040,769
Less: Provision for diminution in value of investment	2,210,000	-
Others		
Financial debt of Harayana Steel & Alloys Limited	3,011,933	3,011,933
Financial Asset of IDFC Ltd. in re. Ramky Pharma City (India) Ltd	1,000,000	-
Total	258,084,635	393,956,923
Market Value of Quoted investments at the end of financial reporting period	11,619,083	9,906,701
Cost of acquisition of quoted investment at the end of financial reporting period	4,997,994	7,904,221
13 Trade Receivable		
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	252,810
Secured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	20,560	12,360
	20,560	265,170
14 Cash and cash equivalents		
Cash in hand	64,560	401,082
Balance with bank	1,011,853	549,336
Total	1,076,413	950,418
15 Short term loans and advances		
Unsecured and considered good		
Advance for Financial Assets	180,800,000	213,143,800
Corporate loans	-	25,000,000
Balances with revenue authorities	4,335,711	2,224,074
Other loans and advances	1,532,226	1,816,568
Total	186,667,937	242,184,442
16 Other current assets		
Unsecured and considered good		
Interest accrued but not due	-	6,806,820
Total	-	6,806,820

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JFC FINANCE (INDIA) LIMITED
Notes forming part of financial statements
(All amounts are in Rupees)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
17 Revenue from operations		
Interest income	18,453,579	14,679,360
Professional fees	23,240,000	390,000
Lease Rent	468,000	-
Total	42,161,579	15,069,360
18 Other income		
Other non operating income	2,136,141	3,909,168
Total	2,136,141	3,909,168
19 Employee benefit expenses		
Salary	3,393,475	2,761,122
Staff welfare	253,180	245,480
Total	3,646,655	3,006,602
20 Financial Expenses		
Interest Expenses	457,942	-
Interest on Income Tax, TDS & Service Tax	47,210	26,266
Bank Charges	3,447	15,771
Total	508,598	42,037
21 Other expenses		
Legal and professional fees	22,059,330	5,301,037
Provision for diminution in value of investment	3,432,046	98,470
Contingent Provision against Standard Assets	1,411,047	-
Auditor's remuneration		
-Audit Fee	43,500	43,500
-Tax Audit fee	10,000	10,000
Insurance	141,036	59,223
Vehicle running & maintenance	258,750	255,750
Conveyance	176,209	176,648
Printing & Stationery	148,202	147,205
Tour and Travel	177,179	175,800
Office Expenses	251,380	229,055
Photostat Expenses	105,010	102,780
Repair & Maintainance	112,974	50,000
Business Promotion	49,820	47,780
Festival Expenses	73,608	61,960
Telephone Expenses	54,136	54,523
Director fees	65,127	62,781
Postage Courier	42,831	40,275
Advertisement	-	1,011,920
Rate, fees & taxes	8,712	9,377
Balance w/off	91,100	-
Miscellaneous Expenses	54,087	14,781
Total	28,766,083	7,952,865

22 Earning per share

Profit attributable to shareholders	6,438,156	5,569,237
Number of shares outstanding at the beginning of the year	3,391,710	3,391,710
Weighted number of shares issued during the year	-	-
Weighted number of shares outstanding at the end of year	3,391,710	3,391,710
Face value per share	10	10
Basic earning per share	1.90	1.64
Diluted earning per share	1.90	1.64

23 Disclosure of contingent liabilities

(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

24 During the year company has neither incurred any expenditure in foreign currency (previous year nil) nor has earnings in foreign currency (previous year Nil).



JFC FINANCE (INDIA) LIMITED
Notes forming part of financial statements
(All amounts are in Rupees)

25. Related Party Disclosures

Name and relationship of related parties with whom transactions have taken place during the current/ previous financial year:

Relationship	Name of related party
Persons having substantial interest	Turnaround Consultants Private Limited Sopan Securities Private Limited
Key Management personnel	Mr. Sunil Kumar, Director Mr. V.S. Rawat, Director Mr. Vijay Kumar Chopra, Director

Details of transactions with the persons having substantial interest:

Type of Transaction	Turnaround Consultants Pvt. Ltd.	Sopan Securities Pvt. Ltd.
Loan given		
Opening balance as on 01.04.2015	NIL	NIL
Loan given during the year	4,15,00,000/-	3,87,50,000/-
Closing balance as on 31.03.2016	4,15,00,000/-	3,87,50,000/-
Interest Receivable as on 31.03.2016	72,432/-	65,342/-

Details of transactions with Key Management Persons:

Type of Transaction	For the year ended 31.3.2016 (All amounts are In Rupees)	For the year ended 31.3.2015 (All amounts are In Rupees)
Remuneration Paid to Director	3,31,500/-	3,57,500/-
Director Sitting Fee*	60,000/-	60,000/-
Sale of Car	12,00,000/-	NIL

*Director Sitting Fee is without the applicable service tax.

26. In the opinion of the Board, the value of current assets, loans and advances, if realised in the normal course of business shall not be less than value shown in the accounts.
27. Based on the information available with management, there are no amounts due to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.
28. These financial statements have been prepared in the prescribed format of the Schedule III to the Companies Act, 2013.
29. Previous years' figures have been recasted/ regrouped wherever required.

As per our audit report of even date Attached

For Nemani Garg Agarwal & Co.

Chartered Accountants
 Firm Regd. No. 010192N


(Akash Chandra)

Partner
 M.No.- 530848
 Place: New Delhi
 Date : 30/06/2016



For & on behalf of Board of Directors



(Sunil Kumar)
 Director



(Vijay Kumar Chopra)
 Director

