

Nemani Garg Agarwal & Co.

(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

ICAI Firm Registration No.- 010192N

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 2017, 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, 2017, 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.
1. 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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- 01.08.2017

Nemani Garg Agarwal & Co.

ICAI Firm Registration No.- 010192N

(Chartered Accountants)

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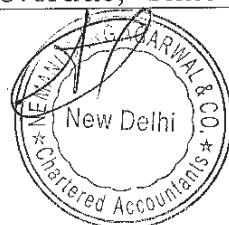
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M/s. JFC FINANCE (INDIA) LIMITED

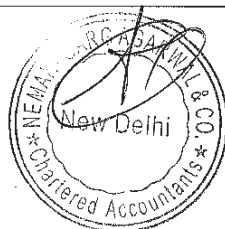
Annexure A to the Auditors' Report

The Annexure referred to in our report to the members of JFC FINANCE (INDIA) LIMITED (the Company) for the year Ended on 31st March, 2017. We report that:

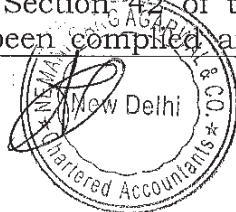
S. No.	Particulars	Auditors Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed 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,	The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act. Hence this clause is not applicable to the company.
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	} Not Applicable
	(b) Whether receipt of the principal amount and interest are regular. If not provide details thereof; and	
	(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;	
(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 has not given loans, investments/ guarantees to the parties covered under section 185 and 186 of the Companies Act, 2013. Hence 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 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 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).	No dues of income tax or sales tax or service tax or duty of customs or duty of excise is outstanding on account of any dispute.
(viii)	Whether the company has defaulted in repayment of dues to a financial institution or	The company has not defaulted in repayment of dues to financial



	<p>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>	<p>institution or bank or debenture holder.</p>
(ix)	<p>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;</p>	<p>The company has raised the money on term loan during the year and the same has been applied for the purpose it was borrowed.</p>
(x)	<p>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.</p>	<p>No fraud has been reported for the year under concern.</p>
(xi)	<p>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.</p>	<p>Managerial remuneration has not been paid exceeding the limit specified during the year under concern.</p>
(xii)	<p>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.</p>	<p>The Company is not a Nidhi Company. Hence this clause is not applicable.</p>
(xiii)	<p>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 Financial Statements etc. as required by the accounting standards and Companies Act, 2013.</p>	<p>The company has not entered any transaction specified in section 188 of Companies Act, 2013. Hence this clause is not applicable.</p>
(xiv)	<p>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</p>	<p>The Company has not made any preferential allotment/ private placement during the financial year 2016-17</p>

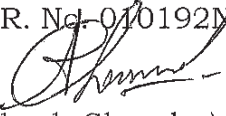


	the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof.	
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have 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 as NBFC 14.01156 vide registration certificate dated 15.09.1998

For Nemani Garg Agarwal & Co.

(Chartered Accountants)

F.R. No. 010192N



(Akash Chandra)

Partner

M.No. 530848



Place- New Delhi
Date- 01.08.2017

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, 2017 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.

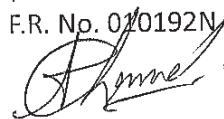
Opinion

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, 2017, 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)

E.R. No. 010192N



(Akash Chandra)

Partner

M.No. 530848




Date: 01.08.2017


Place: New Delhi

JFC FINANCE (INDIA) LIMITED
BALANCE SHEET AS AT 31st MARCH, 2017
(All amounts are in Rupees)

	NOTES	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	33,917,100	33,917,100
Reserves and Surplus	3	497,486,550	492,535,721
Non-Current Liabilities			
Long-Term Borrowings	4	1,212,528	1,673,743
Current Liabilities			
Other Current Liabilities	5	618,267,946	591,429,421
Short Term Provisions	6	6,809,150	6,622,868
Total		<u>1,157,693,274</u>	<u>1,126,178,853</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	7	2,171,692	2,750,126
Deferred Tax Assets	8	1,585,097	3,369,022
Non Current Investments	9	215,730,060	81,190,350
Long Term Loans & Advances	10	562,642,477	612,619,810
Current Assets			
Current Investments	11	201,038,864	238,484,635
Trade Receivable	12	5,498,668	532,379
Cash and Cash Equivalents	13	15,183,321	1,076,413
Short Term Loans and Advances	14	153,843,096	186,156,118
Total		<u>1,157,693,274</u>	<u>1,126,178,853</u>
Summary of significant accounting policies	1		
Notes forming part of financial statements	2-28		

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 : 01.08.2017

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 2017
 (All amounts are in Rupees)

	NOTES	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue			
Revenue from Operations	15	49,617,996	42,161,579
Other Income	16	1,102,357	2,136,141
Total Revenue		50,720,353	44,297,720
Expenses			
Employee benefit expenses	17	5,103,815	3,646,655
Depreciation	7	992,290	1,357,881
Financial Expenses	18	236,305	505,152
Other expenses	19	32,154,297	28,769,530
Total Expenses		38,486,707	34,279,217
Profit Before Tax		12,233,646	10,018,503
Tax Expenses			
Current Tax		5,498,892	5,211,821
Deferred Tax		1,783,925	(1,631,475)
Profit for the Year		4,950,829	6,438,156
Earning per share			
-Basic	20	1.46	1.90
-Diluted		1.46	1.90
Summary of significant accounting policies	1		
Notes forming part of financial statements	2-28		

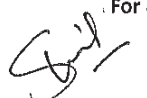
As per our report of even date attached
 For Nemani Garg Agarwal & Co.
 Chartered Accountants
 Firm Regn. No.019192N


 (Akash Chandra)
 Partner
 M.No.530848



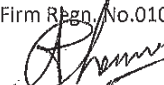



Place :New Delhi
 Date : 01.08.2017

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 2017
(All amounts are in Rupees)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit for the Year	4,950,829	6,438,156
Add: Non Cash Items/Non Operating Items		
Depreciation	992,290	1,357,881
Provision for diminution in value of investment	26	3,432,046
Provision for Tax	7,282,817	3,580,346
Contingent Provision against Standard Assets	(100,789)	1,411,047
Profit on sale of financial assets/shares	(1,072,301)	(2,028,773)
Loss on sale of shares	4,560,264	-
Cash flow from operating activities without working capital changes	16,613,136	14,190,704
Add: Working Capital Changes		
Changes in other current liabilities	26,181,704	272,543,476
Changes in other current assets and loans and advances	77,324,066	(365,554,392)
Cash flow from operating activities before tax paid	120,118,906	(78,820,213)
Less: Tax Paid	(5,016,215)	(4,119,309)
Cash flow from operating activities (A)	115,102,691	(82,939,522)
Cash Flow from investing activities		
Purchase of investment	(118,271,102)	(97,058,797)
Sale of investment	17,689,174	182,049,858
Purchase of fixed assets	(413,856)	(1,925,544)
Cash Flow from investing activities (B)	(100,995,784)	83,065,517
Cash Flow from financing activities (C)		
Changes in Cash and Cash Equivalents	14,106,908	125,995
Opening Cash and Cash equivalents	1,076,413	950,418
Closing Cash and Cash equivalents	15,183,321	1,076,413
Cash and cash equivalent comprises:		
Cash in hand	560,102	64,560
Balance with banks	14,623,219	1,011,853
Total	15,183,321	1,076,413
Summary of significant accounting policies	1	
Notes forming an integral part of financial statements	2-28	
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  (Sunil Kumar) Director  (Vijay Kumar Chopra) Director	
Place :New Delhi Date : 01.08.2017		

1. SIGNIFICANT ACCOUNTING POLICIES

a. ACCOUNTING BASIS & CONVENTION

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles ('GAAP'). GAAP comprises mandatory accounting standards as prescribed under the section 133 of the Companies Act, 2013 and read with the Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and notified.

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 are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any other directly attributable costs of bringing the asset to its working condition for its intended use.

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.



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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.

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. 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

Authorised

3,500,000 Equity Shares of Rs. 10/- each
(Previous year 3,500,000 equity shares of Rs. 10/- Each)

As at 31st
March, 2017

35,000,000

As at 31st
March, 2016

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, 2017		As at 31st March, 2016	
	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, 2017		As at 31st March, 2016	
	Number of shares	%holding	Number of shares	%holding
Turnaround Consultants Private Limited	1,449,710	42.74	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
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

5,171,327

3,883,696

Add: Transfer from surplus

990,166

1,287,631

Closing Balance

6,161,493

5,171,327

Surplus

Opening Balance

20,429,494

15,278,969

Add: Profit for the Year

4,950,829

6,438,156

Less: Transfer to statutory reserve

990,166

1,287,631

Closing Balance

24,390,157

20,429,494

Total

497,486,550

492,535,721



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

	As at 31st March, 2017	As at 31st March, 2016
4 Long term borrowings		
Secured Loan		
-From ICICI Bank Ltd.*	1,212,528	1,673,743
Total	<u>1,212,528</u>	<u>1,673,743</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 Other current liabilities		
Advance received for acquiring assets	191,750,000	207,680,056
Security Deposits	421,263,500	255,700,000
Other Advances/Amounts Payable	4,007,272	127,476,984
Current maturities of long term debt	461,215	417,454
Interest accrued and due on borrowings	13,962	17,445
Statutory taxes payable	771,997	137,482
Total	<u>618,267,946</u>	<u>591,429,421</u>
6 Short term provisions		
Provisions for income tax	5,498,892	5,211,821
Contingent Provisions against Standard Assets	1,310,258	1,411,047
Total	<u>6,809,150</u>	<u>6,622,868</u>
8 Deferred tax assets (Net)		
-On account of depreciation	459,960	421,777
-On account of provision for diminution in investment	706,365	2,480,711
-On account of losses to be carried forward	-	-
-On account of contingent provision on standard assets	418,772	466,534
Total	<u>1,585,097</u>	<u>3,369,022</u>
9 Non current Investments		
Investment in equity shares		
Quoted, fully paid up		
18 Equity Shares (Previous Year 18) of Coventy Coil O Matic Limited	144	144
23,96,263 Equity Shares (Previous year 23,96,263) of Deccan Chronicals Holdings Limited	-	10,253,187
Total	<u>144</u>	<u>10,253,331</u>
Less: Provision/(Reversal) for diminution in value of investment	<u>84</u>	<u>5,292,981</u>
	60	4,960,350
Investment in equity shares		
Unquoted, fully paid up		
5,000 (Previous year 5,000) Equity Shares of Sopan Securities Private Limited	1,930,000	1,930,000
3,50,000 (Previous year NIL) Equity Shares of Varahalaksmi Infrastructure Private Limited	3,500,000	-
16,817 (Previous year NIL) Equity Shares of Annalaksmi Trading Private Limited	5,000,000	-
19,60,000 (Previous year 19,60,000) Equity Shares of Sri Parthasarthy Infrastructure Projects Private Limited	19,600,000	19,600,000
Investment in Compulsorily Convertible Debentures- unquoted, fully paid up		
0% Compulsorily Convertible Debentures (CCDs) before expiry of 60 months		
11,50,000 (Previous year 26,50,000) CCDs of Rs.10/- each of Zircon Petrochem Pvt. Ltd	11,500,000	26,500,000
24,20,000 (Previous year 24,20,000) CCDs of Rs. 10/- each of Turquoise Metals & Electricals Pvt. Ltd	24,200,000	24,200,000
0% Compulsorily Convertible Debentures (CCDs) before expiry of 120 months		
1,500 (Previous year NIL) CCDs of Rs.1,00,000/- each of Sri Parthasarthy Infrastructure Pvt. Ltd	150,000,000	-
Total	<u>215,730,060</u>	<u>81,190,350</u>
Market Value of Quoted Investments at the end of financial reporting period	60	4,960,350
Cost of acquisition of quoted investment at the end of financial reporting period	144	10,253,331
10 Long term loans and advances		
Secured and considered good		
Term loan	269,103,277	260,568,610
Inter Corporate Deposits	255,000,000	303,750,000
Unsecured and considered good		
Capital advances	38,500,000	48,200,000
Security Deposit	39,200	1,200
Total	<u>562,642,477</u>	<u>612,619,810</u>



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

	As at 31st March, 2017	As at 31st March, 2016
11 Current Investments		
Quoted		
Investment in equity shares		
4,04,142 Equity Shares (previous year 4,04,142) of Lords Chloro Alkali Limited	4,997,994	4,997,994
Unquoted		
NIL (Previous year 13,28,125) Equity Shares of Cygnet Projects Private Limited	-	21,256,596
Total	-	21,256,596
Less: Provision for diminution in value of investment	-	-
	4,997,994	26,254,591
Investment in security receipts		
51,700 SRs (Previous year 51,700) of Alchemist XII Trust	20,316,261	32,555,142
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	9,963,007	10,703,300
2210 SRs (Previous year 2210 SRs) of Alchemist XVI Trust	2,210,000	2,210,000
1,50,000 SRs (Previous year 1,50,000 SRs) of Alchemist XVII Trust	150,000,000	150,000,000
NIL (Previous year 2210 SRs) of Alchemist XXX Trust	-	2,210,000
	195,238,937	210,428,111
Less: Provision for diminution in value of investment	2,210,000	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	201,038,864	238,484,635
Market Value of Quoted Investments at the end of financial reporting period	12,427,367	11,619,083
Cost of acquisition of quoted investment at the end of financial reporting period	4,997,994	4,997,994
12 Trade Receivable		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	3,906,095	20,560
Others	1,592,573	511,819
	5,498,668	532,379
13 Cash and cash equivalents		
Cash in hand	560,102	64,560
Balance with bank	14,623,219	1,011,853
Total	15,183,321	1,076,413
14 Short term loans and advances		
Unsecured and considered good		
Advance for Financial Assets	145,800,000	180,800,000
Balances with revenue authorities	5,310,383	4,335,711
Other loans and advances and amount receivable	2,732,713	1,020,407
Total	153,843,096	186,156,118



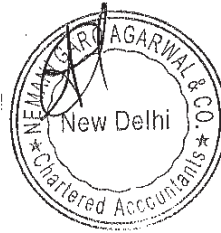
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JFC FINANCE (INDIA) LIMITED
Notes forming part of financial statements
(All amounts are in Rupees)

7 Tangible Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2016	Additions during the year	Deductions during the year	As at 31.03.2017	As at 01.04.2016	Provided during the year	Deductions during the year	As at 31.03.2017	As at 31.03.2016
Office Premises at Arjun Nagar, New Delhi	371,000	-	-	371,000	85,921	13,853	-	271,226	285,079
Car	3,621,432	-	-	3,621,432	1,236,753	747,549	-	1,637,130	2,384,679
Furniture and Fixtures	55,000	66,250	-	1,21,250	30,015	19,885	-	49,900	24,985
Computers	267,149	347,606	-	614,755	211,766	211,003	-	422,769	55,383
Total	4,314,581	413,856	-	4,728,437	1,564,455	992,290	-	2,556,745	2,750,126
Previous Year	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



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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
15 Revenue from operations		
Interest income	32,907,345	18,453,579
Professional fees	16,064,651	23,240,000
Lease Rent	646,000	468,000
Total	49,617,996	42,161,579
16 Other income		
Other non operating income	1,102,357	2,136,141
Total	1,102,357	2,136,141
17 Employee benefit expenses		
Salary	4,839,983	3,393,475
Staff welfare	263,832	253,180
Total	5,103,815	3,646,655
18 Financial Expenses		
Interest Expenses	187,043	457,942
Interest on Income Tax, TDS	31,180	46,930
Interest on Service Tax	18,082	280
Total	236,305	505,152
19 Other expenses		
Legal and professional fees	20,047,879	22,059,330
Commission & Brokerage charges	3,899,000	-
Provision for diminution in value of investment	26	3,432,046
Contingent Provision against Standard Assets	(100,789)	1,411,047
Auditor's remuneration		
-Audit Fee	50,000	43,500
-Tax Audit fee	10,000	10,000
Insurance	84,734	141,036
Bank Charges	2,756	3,447
Vehicle running & maintenance	270,600	258,750
Conveyance	175,961	176,209
Printing & Stationery	164,710	148,202
Tour and Travel	191,300	177,179
Office Expenses	288,501	251,380
Photostat Expenses	127,205	105,010
Repair & Maintenance	77,320	112,974
Business Promotion	50,300	49,820
Festival Expenses	50,274	73,608
Telephone Expenses	91,875	54,136
Director fees	47,100	65,127
Postage Courier	46,830	42,831
Loss on sale of shares	4,560,264	-
Advertisement	1,514,700	-
Income Tax for earlier years	165,386	-
Rent Paid	218,194	-
Rate, fees & taxes	74,061	8,712
Balance w/off	4,770	91,100
Miscellaneous Expenses	41,340	54,087
Total	32,154,297	28,769,530

20 Earning per share

Profit attributable to shareholders	4,950,829	6,438,156
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	1.46	1.90
Diluted earning per share	1.46	1.90

21 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

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



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23. 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 01.04.2016	4,15,00,000/-	3,87,50,000/-
Loan given during the year	5,00,000/-	10,00,000/-
Repayment received during the year	2,99,79,519/-	1,99,28,169/-
Closing balance as on 31.03.2017	1,20,20,481/-	1,98,21,831/-
Interest Receivable as on 31.03.2017	7,45,007/-	6,97,281/-

Details of transactions with Key Management Persons:

Type of Transaction	For the year ended 31.3.2017 (All amounts are In Rupees)	For the year ended 31.3.2016 (All amounts are In Rupees)
Remuneration Paid to Director	5,79,500/-	3,31,500/-
Director Sitting Fee*	45,000/-	60,000/-
Sale of Car	NIL	12,00,000/-

*Director Sitting Fee is without the applicable service tax.

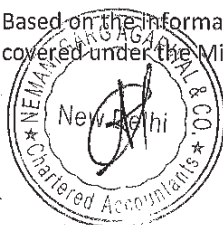
24. Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308 (E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination- wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	3,63,960/-	3,63,960/-
Add: Permitted receipt	-	1,00,000/-	1,00,000/-
Less: Permitted payments	-	-	-
Less: Amount deposited in Bank	-	-	-
Closing cash in hand as on 30.12.2016	-	4,63,960/-	4,63,960/-

25. 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.

26. 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.



Sgt

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

27. These financial statements have been prepared in the prescribed format of the Schedule III to the Companies Act, 2013.
28. 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. 010192


(Akash Chandra)
Partner
M.No.- 530848
Place: New Delhi
Date :01.08.2017



For & on behalf of Board of Directors


(Sunil Kumar)
Director


(Vijay Kumar Chopra)
Director