



# M B A H & CO. CHARTERED ACCOUNTANTS

VIRDI NIWAS, M-ROAD, BISTUPUR, JAMSHEDPUR-831 001 (JHARKHAND)

GSTIN :- 20AAEFB3648M1ZK

☎ : 0657 - 2321049, E-MAIL : mbah.jsr2512@gmail.com

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
J.A Finance Ltd.

### Report on the Audit of Ind AS Financial Statement

#### Opinion

We have audited the accompanying Ind AS financial Statements of J.A. Finance Ltd. (the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year the ended and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principle generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matters

We draw attention to Note - 37 to the financial results, which describes that the extent to which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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



### **Information other than the financial statements and Auditor's Report thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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.

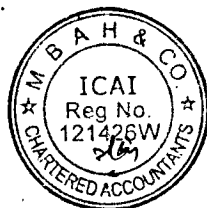
In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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



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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

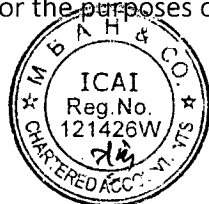
we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

#### **(2) As required by section 143(3) of the Act, we report that:**

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued there under;

e. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the 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 further report that:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note - 26 on Contingent Liabilities to the Ind AS Financial Statements;

(ii) The Company did not have any material foreseeable losses in long term contracts including derivative contracts during the year ended March 31, 2021;

(iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company.

**For M B A H & CO**

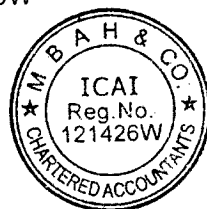
Chartered Accountants

ICAI Firm Regn. No – 121426W

*Abhishek Agarwal*  
(Abhishek Agarwal)

Partner

M. No – 414050



UDIN – 21414050AAAABN2805

June 30, 2021

Jamshedpur, India.

## Annexure – 1

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of J.A. Finance Ltd. on the financial statements for the year ended March 31, 2021]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and based on the examination of the company does not have any immovable properties; therefore, the provision of this clause of the Companies (Auditor's Report) Orders' 2016 (as amended) is not applicable to the company.

(ii) Company business does not involve any inventory and accordingly the requirements under paragraph 3(ii) of the order are not applicable to the company and hence not commented upon.

(iii) As informed, the Company has granted unsecured loans to companies, firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Act. The amount involved during the year was Rs 349.22 Lakhs and year-end balance of loan from such parties was Rs. 535.46 Lakhs

(a) In our opinion, the rate of interest and other terms and conditions on which loan had been granted to the parties listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.

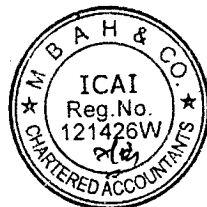
(b) In the case of the loans granted to the parties listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to such parties listed in the register maintained under section 189 of the Act.

(iv) Based on information and explanation given to us in respect of loans and investments the Company has complied with the provisions of section 185 and 186(1) of the Act. Further, the provisions of section 186 [except for sec 186(1)] the Act are not applicable to the Company as it is engaged in the business of financing.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the Rules framed there under.

(vi) The Central Government has not prescribed/ specified the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.



(vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including income tax, goods and service tax, and any other material statutory dues applicable to it. As informed, provision of Sales Tax, custom duty, provident fund, employees' state insurance, cess and excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, and any other material statutory dues applicable to it, were outstanding at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of Goods and Service Tax and Income-tax that has not been deposited on account of disputes as on March 31, 2021.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of Initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

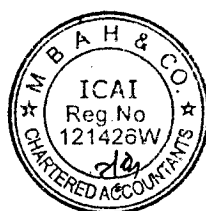
(xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.



(xvi) According to the information and explanation given to us, the Company has obtained the requisite registration as a non-banking financial institution under section 45 – IA of the Reserve Bank of India Act, 1934.

**For M B A H & CO**

Chartered Accountants

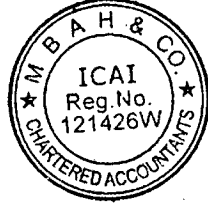
ICAI Firm Regn. No – 121426W

*Abhishek Agarwal*

**(Abhishek Agarwal)**

Partner

M. No – 414050



UDIN – 21414050AAAABN2805

June 30, 2021

Jamshedpur, India.

## Annexure - 2

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of J.A. Finance Ltd. on the financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **J.A. Finance Ltd.** ("the Company") as of March 31, 2021 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 with reference to financial statements 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 (the "Guidance Note") 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 Act.

### **Auditors' Responsibility**

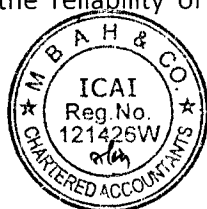
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of





financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**For M B A H & CO**

Chartered Accountants

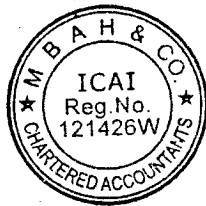
ICAI Firm Regn. No – 121426W

*Abhishek Agarwal*

**(Abhishek Agarwal)**

Partner

M. No – 414050



UDIN – 21414050AAAABN2805

June 30, 2021

Jamshedpur, India.

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>			
<b>1 FINANCIAL ASSETS</b>			
(a) Cash and Cash Equivalents	3	0.33	0.58
(b) Receivables			
(i) Trade Receivables	4	0.06	-
(c) Loans	5	1,945.78	1,806.57
(d) Investments	6	208.42	195.86
		<b>2,154.59</b>	<b>2,003.01</b>
<b>2 NON-FINANCIAL ASSETS</b>			
(a) Current Tax Assets (Net)	7	24.18	29.68
(b) Other Non - Financial assets	8	49.96	57.73
		<b>74.14</b>	<b>87.40</b>
<b>TOTAL ASSETS</b>		<b>2,228.73</b>	<b>2,090.41</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 FINANCIAL LIABILITIES</b>			
(a) Payables	9		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises		-	1.79
(b) Borrowings (Other than Debt Securities)	10	417.20	305.21
(c) Other Financial Liabilities	11	6.99	3.18
		<b>424.19</b>	<b>310.18</b>
<b>2 NON - FINANCIAL LIABILITIES</b>			
(a) Current Tax Liabilities (Net)		-	-
(b) Deferred Tax Liabilities (Net)	12	38.38	14.34
(c) Other Non- Financial Liabilities	13	0.15	1.30
		<b>38.53</b>	<b>15.63</b>
<b>EQUITY</b>			
(a) Equity Share Capital	14	399.33	399.33
(b) Other Equity		1,366.68	1,365.27
		<b>1,766.01</b>	<b>1,764.60</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,228.73</b>	<b>2,090.41</b>

Significant accounting policies and notes to Ind AS financial statements

1 to 41

As per our report attached of even date

For M B A H &amp; CO

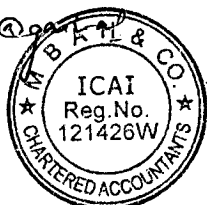
Chartered Accountants

(ICAI Firm Regn. No. 121426W)

(Abhishek Agarwal)

Partner

M. No. 414050



Jamshedpur, India.

June 30, 2021.

For and on behalf of the Board

For J.A. Finance Ltd.

(CIN: L65999WB1993PLC058703)

(Akshay Goyal)

Managing Director

(DIN - 00201393)

(Raj Patro)

Company Secretary

(M.No - 37271)

(Dilip Kumar Goyal)

Director

(DIN - 00033590)

(Mahesh Agiwal)

Chief Financial Officer

(PAN: AAWPA4982F)

J.A.FINANCE LTD.

Statement of Profit and Loss for the year ended on March 31, 2021

(Rs in Lakhs)

Particulars	Note	March 31, 2021	March 31, 2020
<b>I. Revenue from operations</b>			
(a) Interest Income	15	176.48	163.41
(b) Fees and Commission Income	16	0.20	0.25
(c) Net Gain on Fair Value Changes	17	2.48	(0.70)
<b>Total Revenue From Operations</b>		<b>179.16</b>	<b>162.96</b>
II. Other Income		-	-
<b>III. Total Income (I + II)</b>		<b>179.16</b>	<b>162.96</b>
<b>IV. Expenses:</b>			
(a) Finance Costs	18	29.58	26.83
(b) Impairment on Financial Instruments	19	0.35	0.51
(c) Employee benefits expenses	20	47.24	48.34
(d) Depreciation, amortisation and impairment		-	-
(e) Other Expenses	21	22.30	17.43
<b>Total expenses (IV)</b>		<b>99.47</b>	<b>93.11</b>
<b>V. Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>79.69</b>	<b>69.85</b>
VI. Exceptional items	22	-	59.28
<b>VII. Profit/(loss) before tax (V + VI)</b>		<b>79.69</b>	<b>129.13</b>
<b>VIII. Tax expense:</b>			
(a) Current tax		20.94	18.17
(b) Deferred tax		-	-
(c) Adjustment of taxes of earlier year		58.96	0.17
<b>Total tax expense (VIII)</b>		<b>79.90</b>	<b>18.35</b>
<b>IX. Profit/(loss) for the year (VII - VIII)</b>		<b>(0.22)</b>	<b>110.79</b>
<b>X. Other comprehensive income/(loss)</b>			
A Items that will not be reclassified to profit or loss:			
(a) Net gain / (loss) on Equity instruments through OCI		5.06	(109.33)
(b) Income tax relating to items that will not be reclassified to profit or loss		0.56	28.43
<b>Subtotal (A)</b>		<b>5.62</b>	<b>(80.90)</b>
B. Items that will be reclassified to profit or loss			
(a) Net gain / (loss) on debt instruments through OCI		-	-
(b) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income/(loss) for the year (A + B)</b>		<b>5.62</b>	<b>(80.90)</b>
<b>XI. Total Comprehensive Income/(Loss) for the year (IX+X)</b>		<b>5.40</b>	<b>29.88</b>
<b>XII. Earnings per share:</b>	23		
Face Value Rs. 10 each:			
Basic		(0.11)	2.67
Diluted		(0.11)	2.67

Significant accounting policies and notes to Ind AS financial statements

1 to 41

As per our report attached of even date

For M B A H & CO

Chartered Accountants

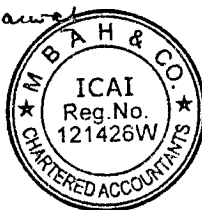
(ICAI Firm Regn. No. 121426W)

*(Abhishek Agarwal)*

(Abhishek Agarwal)

Partner

M. No. 414050



Jamshedpur, India.

June 30, 2021

For and on behalf of the Board of Director

For J.A. Finance Ltd.

(CIN: L65999WB1993PLC058703)

*(Akshay Goyal)*

(Akshay Goyal)

Managing Director

(DIN - 00201393)

*(Raju Patro)*

(Raju Patro)

Company Secretary

(M.No - 37271)

*(Dilip Kumar Goyal)*

(Dilip Kumar Goyal)

Director

(DIN - 00033590)

*(Mahesh Agiwal)*

(Mahesh Agiwal)

Chief Financial Officer

(PAN: AAWPA4982F)

J.A.FINANCE LTD.  
Statement of Changes in Equity  
For the year ended 31 March 2021

(Rs. in Lakhs)

A Equity Share Capital

As at

March 31, 2021

Particulars

Issued, Subscribed and fully paid up:	
Balance as at 1 April 2019	399.33
Changes during the year	-
Balance as at 1 April 2020	399.33
Changes during the year	-
Balance as at 31 March 2021	399.33

(Rs. in Lakhs)

B Other Equity

Reserves and Surplus

Particulars	Capital Reserve	Statutory Reserve pursuant to Section 45- IC of RBI Act, 1934	Retained earnings	Equity Instrument through OCI	Total
Balance as at April 1, 2019	222.95	272.79	650.25	189.40	1,335.39
Profit/(loss) for the year	-	-	110.79	-	110.79
Other comprehensive income /(loss) for the year	-	-	-	(80.90)	(80.90)
Total Comprehensive Income for the year	-	-	110.79	(80.90)	29.88
Transfer to Statutory Reserve	-	22.16	(22.16)	-	-
Balance as at March 31, 2020	222.95	294.95	738.88	108.49	1,365.27
Balance as at April 1, 2020	222.95	294.95	738.88	108.49	1,365.27
Profit/(loss) for the year	-	-	(0.22)	-	(0.22)
Other comprehensive income /(loss) for the year	-	-	-	5.62	5.62
Total Comprehensive Income for the year	-	-	(0.22)	5.62	5.40
Dividend Paid	-	-	(3.99)	-	(3.99)
Transfer to Statutory Reserve	-	-	-	-	-
Balance as at March 31, 2021	222.95	294.95	734.67	114.11	1,366.68

Significant accounting policies and notes to Ind AS financial statements 1 to 41

As per our report attached of even date

For M B A H & CO

Chartered Accountants

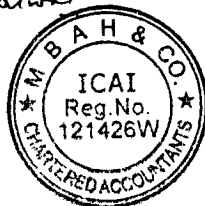
(ICAI Firm Regn. No. 121426W)

*Abhishek Agarwal*

(Abhishek Agarwal)

Partner

Membership No. 414050



Jamshedpur, India.

July 30, 2020

For and on behalf of the Board of Directors

For J.A. Finance Ltd.

(CIN: L65999WB1993PLC058703)

*Akshay Goyal*

(Akshay Goyal)

Managing Director

(DIN - 00201393)

*Raju Patro*

(Raju Patro)

Company Secretary

(M.No - 37271)

*Dilip Kumar Goyal*

(Dilip Kumar Goyal)

Director

(DIN - 00033590)

*Mahesh Agiwal*

(Mahesh Agiwal)

Chief Financial Officer

(PAN: AAWPA4982F)

## J.A.FINANCE LTD.

## Statement of Cash Flows

For the year ended on March 31, 2021

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A) Cash flows from Operating activities</b>		
Profit before exceptional items and taxes	79.69	69.85
<b>Adjustments for Non - cash Expenses</b>		
Prior Period Tax Expense	(58.96)	(0.17)
Fair values changes	(2.48)	0.70
Impairment on financial instruments	0.35	0.51
Interest Paid	29.58	26.83
Reversal of provisions	-	59.77
<b>Cash flows from operating activities before working capital changes</b>	<b>48.18</b>	<b>157.49</b>
<b>Adjustment for working capital changes :</b>		
(Increase)/decrease in Loans	(139.56)	(202.27)
(Increase)/decrease in current tax assets	2.73	(23.57)
(Increase)/decrease in other non-financial assets	32.36	6.92
Increase/(decrease) in Receivables	(0.06)	-
Increase /(decrease) in other financial liabilities	3.82	(1.66)
Increase/(decrease) in Payables	(1.79)	1.79
Increase/(decrease) in other non-financial liabilities	(1.14)	1.24
<b>Cash generated from operations</b>	<b>(55.47)</b>	<b>(60.08)</b>
Income tax paid (net of refund)	(18.17)	(2.75)
<b>Net cash flows from operating activities (A)</b>	<b>(73.65)</b>	<b>(62.82)</b>
<b>B) Cash flows from Investing activities</b>		
Purchase of investments at amortised cost	(5.01)	-
Proceeds from sale of investments at amortised cost	-	-
Dividend income received	-	-
Interest received	-	-
(Increase)/decrease in other bank balances	-	-
<b>Net cash used in investing activities (B)</b>	<b>(5.01)</b>	<b>-</b>
<b>C) Cash flows from Financing activities</b>		
Repayment of Borrowings (Other than Debt Securities)	111.98	89.70
Interest Paid	(29.58)	(26.83)
Dividend paid (including tax on dividend)	(3.99)	-
<b>Net cash from/(used in) financing activities (C)</b>	<b>78.41</b>	<b>62.87</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(0.25)</b>	<b>0.05</b>
Cash and cash equivalents as at April 1 (opening balance)	0.58	0.53
<b>Cash and cash equivalents as at March 31 (closing balance)</b>	<b>0.33</b>	<b>0.58</b>
<b>Cash and cash equivalents as at March 31:</b>		
Cash on hand	0.16	0.37
Balances with banks in current accounts	0.17	0.21
Term deposits with maturity of less than three months	-	-
<b>Total</b>	<b>0.33</b>	<b>0.58</b>

Note :-

The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows'.

As per our report attached of even date

For M B A H &amp; CO

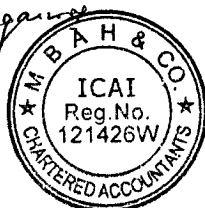
Chartered Accountants

(ICAI Firm Regn. No. 121426W)

(Abhishek Agarwal)

Partner

M. No. 414050



Jamshedpur, India.

June 30, 2021

For and on behalf of the Board

For J.A. Finance Ltd.

(CIN: L65999WB1993PLC058703)

(Akshay Goyal)

Managing Director

(DIN - 00201393)

(Raju Patro)

Company Secretary

(M.No - 37271)

(Dilip Kumar Goyal)

Director

(DIN - 00033590)

(Mahesh Agiwal)

Chief Financial Officer

(PAN: AAWPA4982F)

## J.A. Finance Ltd.

Notes forming part of the Financial Statements for the year ended 31 March 2021

### Note - 1

#### Company Overview

J.A. Finance Ltd. is a public limited company incorporated in India. Its shares are listed on Calcutta Stock Exchange Limited (CSE). The Company is primarily engaged in the business of financing and investing (share and derivative trading/transactions). The Company is registered with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. Registration detail are as follows:

RBI	05.00509
Corporate Identity Number (CIN)	L65999WB1993PLC058703
ISIN	INE825B01010

The registered office & principal place of business of the Company is 1<sup>st</sup> Floor, 7B, Punwani Chambers, Kiran Shankar Roy Road, Kolkata – 700001 (West Bengal).

### Note - 2

#### Basis of Preparation

##### (i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".

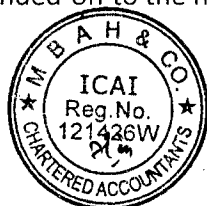
The financial statements for the year ended March 31, 2021 were authorised and approved for issue by the Board of Directors on June 30, 2021.

##### (ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

##### (iii) Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.



### Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

#### a) Property, plant and equipment

##### Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Pursuant to the requirements under schedule II of the Company Act 2013, the company has identified the cost of each component of the assets on the basis of its technical expertise and no component had a cost which is significant to the total cost of the assets and has useful life materially different from that of the remaining asset.

##### Subsequent measurement (depreciation method, useful lives and residual value)

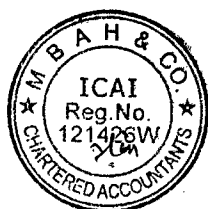
Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Building	60 years
Plant and machinery	15 years
Office equipment	5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Vehicles	8-10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

##### De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.



**Capital work-in-progress**

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

**b) Intangible assets**

**Recognition and initial measurement**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

**Subsequent measurement (amortisation method, useful lives and residual value)**

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

**c) Revenue recognition**

**Interest income on loans**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/ penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

**Fees and Commission income**

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

**Dividend income**

Dividend income is recognised at the time when the right to receive is established by the reporting date.

**Miscellaneous income**

All other income is recognised on an accrual basis, when there is certainty in the ultimate realization /collection.

**d) Finance costs**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Finance costs are charged to the Statement of profit and loss.

**e) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use, are capitalised. Borrowing cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.





**f) Taxation**

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

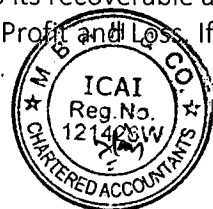
**g) Employee benefits**

**Short-term employee benefits**

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

**h) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if



## J.A. Finance Ltd.

### Notes forming part of the Financial Statements for the year ended 31 March 2021

a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

#### i) Impairment of financial assets

##### Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

##### Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

##### Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

##### Exposure at Default (EAD)

EAD is based on the amounts the Company expects to be owed at the time of default.

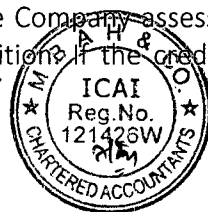
Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

##### Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

##### Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial



## J.A. Finance Ltd.

### Notes forming part of the Financial Statements for the year ended 31 March 2021

recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

#### i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement.

#### j) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

#### j) Financial instruments

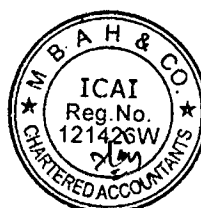
A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### Non-derivative financial assets

#### Subsequent measurement



## J.A. Finance Ltd.

Notes forming part of the Financial Statements for the year ended 31 March 2021

### i. Financial assets carried at amortised cost –

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

### ii. Investments in equity instruments –

Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

### iii. Investments in mutual funds –

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

### De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

### Non-derivative financial liabilities

#### Subsequent measurement

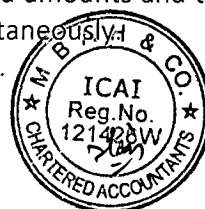
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

### De-recognition of financial liabilities

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

### Offsetting of financial instruments

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



**k) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**l) Segment reporting**

The Company identifies segment basis of the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the management and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

**m) Dividend/ Distribution**

Dividend distribution to the company shareholder is recognised as liabilities in the financial statements in the period in which the dividend is approved by the company shareholders.

**n) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

**Significant management judgements**

**Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

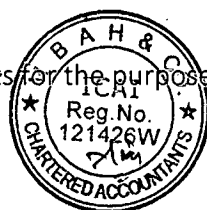
**Evaluation of indicators for impairment of assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Expected credit loss ('ECL')**

The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.



J.A. Finance Ltd.

Notes forming part of the Financial Statements for the year ended 31 March 2021

### Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

### Significant estimates

#### Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

### Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

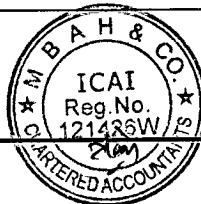


## J.A.FINANCE LTD.

Notes forming part of the Financial Statements  
For the year ended 31 March 2021

(Rs In Lakhs)

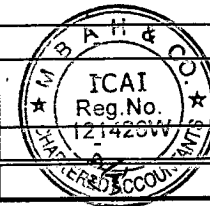
	As at March 31, 2021	As at March 31, 2020
<b>3 Cash and Cash Equivalents</b>		
Cash on hand	0.16	0.37
Balances with banks in current accounts (IDBI Bank)	0.17	0.21
<b>Total</b>	<b>0.33</b>	<b>0.58</b>
<b>4 Trade Receivables</b>		
Unsecured, considered good:		
More than six months	-	-
Less than six months	0.06	-
<b>Total</b>	<b>0.06</b>	<b>-</b>
<b>5 Loans</b>		
<b>Loan (at amortised cost)</b>		
<b>(A)</b>		
Term Loans	1,415.20	800.28
Loans to Related Parties	535.46	1,010.82
<b>Total (Gross)</b>	<b>1,950.66</b>	<b>1,811.10</b>
Less: Impairment Loss Allowance	4.88	4.53
<b>Total (Net)</b>	<b>1,945.78</b>	<b>1,806.57</b>
<b>(B)</b>		
(i) Secured by Tangible Assets	-	-
(ii) Secured by Intangible Assets	-	-
(iii) Covered by Bank/Government Guarantee	-	-
(iv) Unsecured	1,950.66	1,811.10
<b>Total (Gross)</b>	<b>1,950.66</b>	<b>1,811.10</b>
Less: Impairment Loss Allowance	4.88	4.53
<b>Total (Net)</b>	<b>1,945.78</b>	<b>1,806.57</b>
<b>(C)</b>		
<b>(I) Loans in India</b>		
(i) Public Sector	-	-
(ii) Others (Corporate)	1,950.66	1,811.10
<b>Total (Gross)</b>	<b>1,950.66</b>	<b>1,811.10</b>
Less: Impairment Loss Allowance	4.88	4.53
<b>Total (Net) - C (I)</b>	<b>1,945.78</b>	<b>1,806.57</b>
<b>(II) Loans outside India</b>		
Less: Impairment Loss Allowance	-	-
<b>Total (Net) - C (II)</b>	<b>-</b>	<b>-</b>
<b>Total (Net) - C (I+II)</b>	<b>1,945.78</b>	<b>1,806.57</b>
Note: There is no loan measured at FVTOCI or FVTPL or designated at FVTPL		
<b>7 Current Tax Assets (Net)</b>		
Prepaid taxes (net of provision for tax)	24.18	29.68
<b>Current Tax Assets (Net)</b>	<b>24.18</b>	<b>29.68</b>



J.A.FINANCE LTD.  
Notes forming part of the Financial Statements  
For the year ended 31 March 2021

(Rs. In Lakhs)

6 Investments	No.of Shares	March 31, 2021				March 31, 2020				
		Amortised Cost	Through Other Comprehensive Income	Through Profit & Loss	Total	Amortised Cost	Through Other Comprehensive Income	Through Profit & Loss	Designated at fair value through profit & loss	Total
<b>(A)</b>										
<b>Equity Instruments</b>										
<b>Quoted Equity Shares</b>										
Acme Resources Limited	10,500	-	-	2.07	2.07	-	-	0.56	-	0.56
Konarks Commerce and Industries Limited	100	-	-	0.00	0.00	-	-	0.00	-	0.00
Skyline NEPC Limited	1,000	-	-	0.01	0.01	-	-	0.01	-	0.01
Steel Exchange India Limited	58	-	-	0.04	0.04	-	-	0.01	-	0.01
Fortis Healthcare Limited	2,000	-	-	3.98	3.98	-	-	-	-	-
<b>Unquoted Equity Shares</b>										
ASI. Enterprises Ltd	2,00,000	-	61.46	-	61.46	-	59.46	-	-	59.46
Astor Tradecom Pvt Ltd	1,10,000	-	55.34	-	55.34	-	55.23	-	-	55.23
P K Transformer Pvt Ltd	75,000	-	41.53	-	41.53	-	40.70	-	-	40.70
Pramila Steel Pvt Ltd	3,00,000	-	42.03	-	42.03	-	39.89	-	-	39.89
<b>Total Gross (A)</b>		-	<b>200.35</b>	<b>6.10</b>	<b>206.44</b>	-	<b>195.28</b>	<b>0.58</b>	-	<b>195.86</b>
<b>(B)</b>										
<b>Mutual Fund</b>										
Axis Bluechip Mutual Fund	2,533	-	-	0.98	0.98	-	-	-	-	-
UTI Flexi Cap Fund	466	-	-	0.99	0.99	-	-	-	-	-
<b>Total Gross (B)</b>		-	-	<b>1.97</b>	<b>1.97</b>	-	-	-	-	-
<b>(C)</b>										
i) Investments outside India		-	-	-	-	-	-	-	-	-
ii) Investments in India		-	200.35	8.07	208.42	-	195.28	0.58	-	195.86
<b>Total Gross (C)= (A+B)</b>		-	<b>200.35</b>	<b>8.07</b>	<b>208.42</b>	-	<b>195.28</b>	<b>0.58</b>	-	<b>195.86</b>
Less : Allowance for Impairment Loss (D)		-	-	-	-	-	-	-	-	-
<b>Total Net (E) = (C-D)</b>		-	<b>200.35</b>	<b>8.07</b>	<b>208.42</b>	-	<b>195.28</b>	<b>0.58</b>	-	<b>195.86</b>





J.A.FINANCE LTD.

Notes forming part of the Financial Statements

For the year ended 31 March 2021

8 Other Non Financial Assets	As at March 31, 2021	As at March 31, 2020
Capital Advance	49.00	49.00
Advance to employee	0.16	0.24
Goods and services tax credit (input) receivable	0.80	0.28
Tax paid under protest	-	8.21
<b>Total</b>	<b>49.96</b>	<b>57.73</b>

9 Payables	As at March 31, 2021	As at March 31, 2020
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	-
Other Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	1.79
<b>Total</b>	<b>-</b>	<b>1.79</b>

On the basis of replies received by the company in response to enquiries made, there are no dues payable as at the year end to Micro, Small & Medium Enterprises nor are there other particulars that are required to be disclosed under the Companies Act, 2013 or the Micro, Small & Medium Enterprises Development Act, 2006.

10 Borrowings	As at March 31, 2021	As at March 31, 2020
<b>At Amortised cost</b>		
<b>Loan Repayable on demand</b>		
<b>Unsecured</b>		
(i) From Banks		
----Overdraft Facility from banks	292.27	305.21
(ii) From Bodies Corporate	124.92	-
<b>Total</b>	<b>417.20</b>	<b>305.21</b>
Borrowings in India	417.20	305.21
Borrowings outside India	-	-
<b>Total</b>	<b>417.20</b>	<b>305.21</b>

Note: There is no borrowings measured at FVTPL or designated at FVTPL.

Overdraft Facilities from Kotak Mahindra Bank against approved Securities (i.e. LIC) in the name of Dilip Kumar Goyal & Jayshree Goyal, bearing rate of interest @ (MCLR + spread).

11 Other Financial Liabilities	As at March 31, 2021	As at March 31, 2020
Provision for Expenses	6.99	3.18
<b>Total</b>	<b>6.99</b>	<b>3.18</b>



J.A.FINANCE LTD.

Notes forming part of the Financial Statements

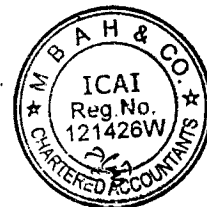
For the year ended 31 March 2021

(Rs. in Lakhs)

12 Deferred Tax Liabilities (Net)	Balance as at 1st April 2019	Charge/ (credit) to profit and loss	Charge /(credit) to OCI	Utilised/ Created	Balance as at 31 March 2020	Charge/ (credit) to profit and loss	Charge /(credit) to OCI	Utilised/ Created	Balance as at 31 March 2021
<b>Tax effect of items constituting deferred tax liabilities</b>									
Tax on Investment recognised at FVTOCI	67.36	-	(28.43)	-	38.94	0	(0.56)	-	38.38
	67.36	-	(28.43)	-	38.94	-	(0.56)	-	38.38
<b>Tax effect of items constituting deferred tax assets</b>									
Unused tax credit ( MAT)	32.03	-	-	(7.43)	24.60	-	-	(24.60)	-
	32.03	-	-	(7.43)	24.60	-	-	(24.60)	-
<b>Net Deferred Tax Liabilities</b>	<b>35.33</b>	<b>-</b>	<b>(28.43)</b>	<b>7.43</b>	<b>14.34</b>	<b>-</b>	<b>(0.56)</b>	<b>24.60</b>	<b>38.38</b>

Reconciliation of estimated income tax expense and tax rate to income tax expense reported in the Statement of Profit and Loss as follows-

	31 March 2021	31 March 2020
Profit before Tax	79.69	129.13
Applicable income tax rate	25%	26%
Expected income tax expense	20.06	33.57
<u>Tax effect of adjustment to reconcile expected income tax expense at tax rate to reported income tax expense</u>		
Effect of expense/provisions not deductible in determining taxable profit	0.89	0.30
Effect of expense/provisions deductible in determining taxable profit	-	(15.55)
Effect of deduction under section 80G	-	(0.16)
Adjustment related to tax of prior periods	58.96	0.17
Others	-	-
Reported income tax expense	<u>79.90</u>	<u>18.35</u>



**J.A.FINANCE LTD.**

**Notes forming part of the Financial Statements**

For the year ended 31 March 2021

	As at March 31, 2021	As at March 31, 2020
<b>13 Other Non- Financial Liabilities</b>		
Statutory Liabilities	0.15	1.30
<b>Total</b>	<b>0.15</b>	<b>1.30</b>
<b>14 Equity Share Capital</b>		
<b>Authorised :</b>		
1,10,00,000 (31 March 2020 :40,00,000) Equity Shares of Rs 10/- each	<u>1,100.00</u>	<u>400.00</u>
<b>Issued, subscribed and fully paid-up</b>		
39,93,275 (31 March 2020: 39,93,275) Equity Shares of Rs 10/- each (Out of the above 7,43,175 No. of Equity Shares of Rs 10 each issued other than cash as per the order of High Court Calcutta in case of amalgamation and remaining 32,50,100 No. of Equity Share of Rs 10 each fully paid up in cash).	399.33	399.33
<b>Total</b>	<u>399.33</u>	<u>399.33</u>

**(a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.of Shares	Rs. in Lakhs	No.of Shares	Rs. in Lakhs
<b>Issued, Subscribed and Fully paid-up:</b>				
Balance at the beginning of the year	39,93,275	399.33	39,93,275	399.33
Add: Fresh allotment of Shares	-	-	-	-
<b>Balance at the end of the year</b>	<b>39,93,275</b>	<b>399.33</b>	<b>39,93,275</b>	<b>399.33</b>

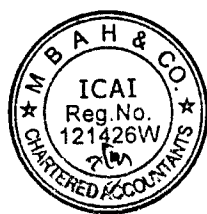
**(b) Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shareholders holding more than 5% of aggregate ordinary shares in the company:**

Name of Shareholder's	As at March 31, 2021		As at March 31, 2020	
	No.of Shares	%	No.of Shares	%
Akshay Goyal	4,38,250	10.97%	4,38,250	10.97%
Ankit Goyal	4,43,350	11.10%	4,43,350	11.10%
Dilip Kumar Goyal (HUF)	2,76,840	6.93%	2,76,840	6.93%
Dilip Kumar Goyal	7,77,125	19.46%	7,77,125	19.46%
Jayshree Goyal	4,19,300	10.50%	4,19,300	10.50%
Sumedha Goyal	2,89,000	7.24%	2,89,000	7.24%

The information required to be disclosed that enables user of its financial statements to evaluate the its objectives, policies and process for managing capital is disclosed in note 24



J.A.FINANCE LTD.

Notes forming part of the Financial Statements

For the year ended 31 March 2021

#### Other Equity

Description of the nature and purpose of Other Equity :

##### Capital Reserve

Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

##### Statutory Reserve

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage (20%) of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

##### Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

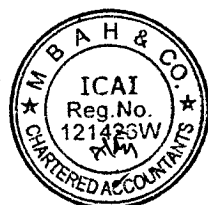
##### Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

##### Details of Dividends proposed/paid

	March 31, 2021	March 31, 2020
Face value per shares (Rupee)	10.00	10.00
Dividend percentage	0.01	0.01
Dividend per share (Rupee)	0.10	0.10
Dividend on Equity Shares	3.99	3.99
Estimated dividend distribution tax	-	-
<b>Total dividend including estimated dividend distribution tax</b>	<b>3.99</b>	<b>3.99</b>

Dividends proposed @ 1 % for the current financial year ended March 31, 2021 shall be paid to shareholders on approval of the members of the Company at the forthcoming Annual General Meeting.



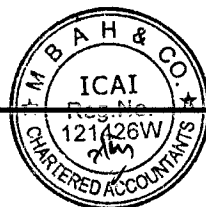
J.A.FINANCE LTD.

Notes forming part of the Financial Statements

For the year ended 31 March 2021

(Rs. In Lakhs)

	March 31, 2021	March 31, 2020
<b>15 Interest Income</b>		
On financial instruments measured at Amortised cost		
Interest on loans	176.48	163.41
<b>Total</b>	<b>176.48</b>	<b>163.41</b>
<b>16 Fees and Commission Income</b>		
Service charges and other fees on loan transactions	0.20	0.25
<b>Total</b>	<b>0.20</b>	<b>0.25</b>
<b>17 Net Gain on Fair Value Changes</b>		
A) Net gain / (loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Investments	2.48	(0.70)
B) Total Net gain / (loss) on financial instruments at FVTPL	2.48	(0.70)
Fair value changes :		
- Realised	-	-
- Unrealised	2.48	(0.70)
	<b>2.48</b>	<b>(0.70)</b>
<b>18 Finance Costs</b>		
On financial liabilities measured at Amortised cost		
Interest on borrowings	29.58	26.83
<b>Total</b>	<b>29.58</b>	<b>26.83</b>
<b>19 Impairment on Financial Instruments</b>		
On financial instruments measured at Amortised cost		
Loans	0.35	0.51
<b>Total</b>	<b>0.35</b>	<b>0.51</b>
<b>20 Employee benefits expenses</b>		
Salaries and Wages*	47.17	48.10
Staff welfare expenses	0.08	0.24
<b>Total</b>	<b>47.24</b>	<b>48.34</b>



J.A.FINANCE LTD.

Notes forming part of the Financial Statements

For the year ended 31 March 2021

(Rs. In Lakhs)

	March 31, 2021	March 31, 2020
<b>21 Other Expenses</b>		
Rent	3.00	3.00
Rates and taxes	7.03	1.18
Repairs and maintenance	1.23	0.34
Communication Costs	0.26	0.26
Printing and Stationery	0.17	0.31
Advertisement and publicity	0.15	0.10
Directors' fees, allowances and expenses	0.12	-
<b>Auditor's fees and expenses -</b>		
- Audit fees	3.00	1.00
- Other services	-	0.03
Internal Audit fee	1.20	0.50
Legal and Professional charges	4.24	8.76
Bank Charges	0.25	0.11
Donations	1.10	1.20
Conveyance and travel expenses	0.14	0.35
Other expenditure	0.42	0.28
<b>Total</b>	<b>22.30</b>	<b>17.43</b>
<b>22 Exceptional items</b>		
Reversal of provision for loss assets	0	59.77
Loss of Sale of Discarded Assets	0	(0.49)
<b>Total</b>	<b>-</b>	<b>59.28</b>
<b>23 Earning per shares</b>		
Profit for the year	(0.22)	110.79
Less :- Dividend Paid	(3.99)	(3.99)
Profit attributable to Equity Shareholders	<b>(4.21)</b>	<b>106.80</b>
Weighted average number of Equity Shares used in computing basic EPS	39.93	39.93
Effect of potential dilutive Equity Shares	-	-
Weighted average number of Equity Shares used in computing diluted EPS	39.93	39.93
Basic Earnings per share (Rs.) (Face Value of Rs.10/- per share)	(0.11)	2.67
Diluted Earnings per share (Rs.)	(0.11)	2.67



**24 Capital Management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	(Rs. In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Net debt	416.86	304.63
Total equity	1,766.01	1,764.60
Net debt to equity ratio	<u>0.24</u>	<u>0.17</u>

\* Net debt includes debt securities + borrowings other than debt securities + subordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

**25 OPERATING SEGMENTS**

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

**26 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

Particulars	(Rs. In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>i) Contingent liabilities</b>		
Claims against the Company not acknowledged as debts		
Income Tax Demand for AY - 2014 - 15 and Rs 8.21 Lakhs paid under protest	-	48.41
<b>ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	51.00	51.00

**27 FINANCIAL RISK MANAGEMENT FRAMEWORK**

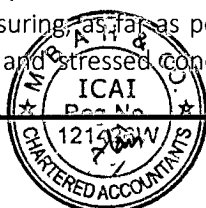
The Company has exposure to the following risks arising from financial instruments: • Credit risk • Liquidity risk; and • Market risk

**• Credit Risk**

Credit risk is the risk of financial loss to the company if a counter-party fails to meet its contractual obligations. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure to financial loss from defaults are continuously monitored.

**• Liquidity Risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.



**J.A.FINANCE LTD.**

**Notes forming part of the Financial Statements**

For the year ended 31 March 2021

• **Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as equity price, interest rates etc.) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. The Company is exposed to market risk primarily related to the market value of its investments and cash credit facilities

a) **Interest Rate Risk :**

The company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2021, the company is exposed to changes in market interest rates through overdraft facilities.

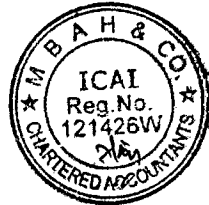
b) **Currency Risk:**

Currently company does not have transaction in foreign currencies and hence the company is not exposed to currency risk.

c) **Price Risk:**

The Company is exposed to equity price risk arising from investments held by the Company and classified in the balance sheet either as fair value through OCI or fair value through profit and loss.

To manage its price risk arising from investment in equity securities, the Company diversifies its portfolio.





J.A.FINANCE LTD.

Notes forming part of the Financial Statements

For the year ended 31 March 2021

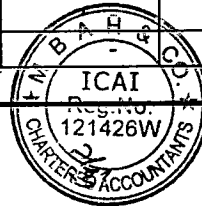
28 Disclosures on Financial Instruments

Accounting classification and fair values

(Rs in Lakhs)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Classification of financial instruments				Fair Value Hierarchy				
	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total carrying value	Total fair value	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2021</b>									
<b>FINANCIAL ASSETS</b>									
(a) Cash and Cash Equivalents	0.33	-	-	0.33	0.33	-	-	-	-
(b) Loans	1,945.78	-	-	1,945.78	1,945.78	-	-	-	-
(c) Investments									
Quoted Investment		8.07	-	8.07	8.07	8.07	-	-	8.07
Unquoted Investment			200.35	200.35	200.35	-	-	200.35	200.35
	<b>1,946.12</b>	<b>8.07</b>	<b>200.35</b>	<b>2,154.53</b>	<b>2,154.53</b>	<b>8.07</b>	<b>-</b>	<b>200.35</b>	<b>208.42</b>
<b>FINANCIAL LIABILITIES</b>									
(a) Payables									
(i) Trade Payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Other Payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(b) Borrowings (Other than Debt Securities)	417.20	-	-	417.20	417.20	-	-	-	-
(c) Other Financial Liabilities	6.99	-	-	6.99	6.99	-	-	-	-
	<b>424.19</b>	<b>-</b>	<b>-</b>	<b>424.19</b>	<b>424.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



J.A.FINANCE LTD.

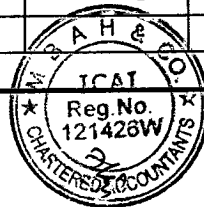
Notes forming part of the Financial Statements

For the year ended 31 March 2021

(Rs in Lakhs)

28 Disclosures on Financial Instruments (continuation...)

	Classification of financial instruments				Fair Value Hierarchy				
	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total carrying value	Total fair value	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2020</b>									
<b>FINANCIAL ASSETS</b>									
(a) Cash and Cash Equivalents	0.58	-	-	0.58	0.58	-	-	-	-
(b) Loans	1,806.57	-	-	1,806.57	1,806.57				
(c) Investments									
Quoted Investment	-	0.58	-	0.58	0.58	0.58	-	-	0.58
Unquoted Investment	-	-	195.28	195.28	195.28	-	-	195.28	195.28
	<b>1,807.15</b>	<b>0.58</b>	<b>195.28</b>	<b>2,003.01</b>	<b>2,003.01</b>	<b>0.58</b>	<b>-</b>	<b>195.28</b>	<b>195.86</b>
<b>FINANCIAL LIABILITIES</b>									
(a) Payables									
(I) Trade Payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(II) Other Payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(b) Borrowings (Other than Debt Securities)	305.21	-	-	305.21	305.21	-	-	-	-
(c) Other Financial Liabilities	3.18	-	-	3.18	3.18	-	-	-	-
	<b>308.39</b>	<b>-</b>	<b>-</b>	<b>308.39</b>	<b>308.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**J.A.FINANCE LTD.**

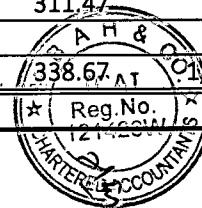
**Notes forming part of the Financial Statements**

For the year ended 31 March 2021

**29 MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

(Rs. In Lakhs)

Assets	31 March 2021			31 March 2020			31 March 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>									
Cash and cash equivalents	-	-	-	0.58	-	0.58	0.53	-	0.53
Loans	685.90	1,259.88	1,945.78	649.56	1,157.00	1,806.57	265.30	1,339.50	1,604.80
Investments	-	208.42	208.42	-	195.86	195.86	-	305.89	305.89
<b>Non-Financial Assets</b>									
Current Tax Assets (Net)	-	24.18	24.18	-	29.68	29.68	-	24.28	24.28
Property, Plant and Equipment	-	-	-	-	-	-	0.49	-	0.49
Other Non - Financial assets	-	49.96	49.96	-	57.73	57.73	-	57.21	57.21
<b>Total Assets</b>	<b>685.90</b>	<b>1,542.44</b>	<b>2,228.34</b>	<b>650.14</b>	<b>1,440.27</b>	<b>2,090.41</b>	<b>266.32</b>	<b>1,726.88</b>	<b>1,993.20</b>
<b>Liabilities</b>									
<b>Financial Liabilities</b>									
Others Payables									
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	-	-	1.79	-	1.79	-	-	-
Borrowings (Other than Debt Securities)	417.20	-	417.20	305.21	-	305.21	215.51	-	215.51
Other Financial Liabilities	6.99	-	6.99	3.18	-	3.18	4.84	-	4.84
<b>Non - Financial Liabilities</b>									
Current Tax Liabilities (Net)	-	-	-	-	-	-	2.75	-	2.75
Provisions	-	-	-	-	-	-	-	-	-
Other Non- Financial Liabilities	0.15	-	0.15	1.30	-	1.30	0.05	-	0.05
<b>Total Liabilities</b>	<b>424.34</b>	<b>-</b>	<b>424.34</b>	<b>311.47</b>	<b>-</b>	<b>311.47</b>	<b>223.15</b>	<b>-</b>	<b>223.15</b>
<b>Net</b>	<b>261.56</b>	<b>1,542.44</b>	<b>1,804.00</b>	<b>338.67</b>	<b>1,440.27</b>	<b>1,778.94</b>	<b>43.17</b>	<b>1,726.88</b>	<b>1,770.05</b>



## 30 RELATED PARTY DISCLOSURES

As per Ind AS 24 on Related party disclosures'. The related

a) Enterprises over which key management personnel and

Vani Insulations Private Limited  
ASL Fortune Private Limited  
Flax Marketing Private Limited  
Stark Superstructure LLP  
Comet Distributors LLP  
AKG Properties

b) Key Management Personnel

Name	Designation
Akshay Goyal	Managing Director
Raju Patro	Company Secretary & Compliance Officer
Mahesh Agiwal	Chief Financial Officer
Dilip Kumar Goyal	Director
Ankit Goyal	Director
Manoj Kumar Agarwal	Director
Murari Lal Khandelwal	Independent Director
Medhavi Lohia	Independent Director
Manik Chandra Dutta*	Independent Director
Amit Agarwal	Independent Director

\*Manik Chandra Dutta has resigned from directorship w.e.f 04.08.2020

c) Relatives of Key Management Personnel  
(where there are transactions)

Pawan Kumar Agarwal  
Dilip Kumar Goyal (HUF)

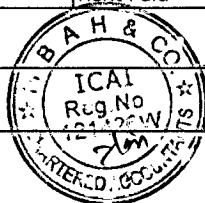
Details of transactions with related parties carried out in the ordinary course of business

Name of related party	Nature of Transaction	As at March 31, 2021	As at March 31, 2020
Akshay Goyal	Director Salary	24.00	24.00
Raju Patro	Salary	2.40	2.40
Mahesh Agiwal	Salary	5.78	0.60
Pawan Kr Agarwal	Salary	4.80	4.80
Murari Lal Khandelwal	Director Sitting Fee	0.04	-
Medhavi Lohia	Director Sitting Fee	0.04	-
Amit Agarwal	Director Sitting Fee	0.04	-
Manik Chandra Dutta	Director Sitting Fee	0.04	-
Dilip Kumar Goyal (HUF)	Interest Income	3.60	-
	Loan Given	65.00	-
	Loan Repaid	-	-
ASL Fortune Private Limited	Interest Income	3.86	-
	Loan Given	75.00	-
	Loan Repaid	-	-
AKG Properties	Interest Income	3.80	16.17
	Loan Given	-	50.00
	Loan Repaid	140.00	15.27
Dilip Motors Private Limited	Interest Income	-	1.45
	Loan Given	-	83.00
	Loan Repaid	-	84.45
Flax Marketing Private Limited	Interest Income	20.22	17.53
	Loan Given	69.92	2.70
	Loan Repaid	134.65	0.50
Vani Insulations Private Limited	Interest Income	16.46	10.54
	Loan Given	84.30	2.50
	Loan Repaid	22.64	2.00
Stark Superstructure LLP	Interest Income	1.86	7.19
	Loan Given	55.00	32.50
	Loan Repaid	135.37	4.00
Comet Distributors LLP	Rent Paid	3.00	3.00

Amount Receivable/Payable to Related Party

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Nature of Transaction		
Receivable from entities over which KMP exercise control	535.46	1,010.82
Payable to KMP & their relatives	-	1.79



Notes Forming Part of the Financial Statements

31 **Public Deposits**

The company has not accepted any public deposits within the meaning of Section 45 I(bb) of RBI Act, 1934 during the year in question & the company has also passed resolution for non- acceptance of any public deposits..

32 **Brokerage**

Since the company has not accepted any public deposits the question of brokerage does not arise.

33 The company has complied with the prudential norms on income recognition accounting standards assets clarification & provisioning for bad & doubtful debts as applicable to it & specified in the directions issued by the RBI on the NBFC prudential Norms ( Reserve

34 All the assets are Standard Assets, accordingly Contingent Provision for Standard Assets are provided @ 0.25% as per the Master Circular No DNBS. (PD). CC.No 279/03.02.001/2012-13 dated July 2,2012 (Revised).

35 Earnings & Expenditure in Foreign Currency

NIL

NIL

36 Value of Imports & Exports during the year

NIL

NIL

37 The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of Investments, Loans, Trade Receivables, Inventories etc. In developing the assumptions relating to possible future uncertainties in the economic conditions because of the pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information. The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

38 **NBFC Registrations**

The company is having a valid certificate of registration No 05.00509 dated 2nd March,1998 issued by the RBI under Section 45 IA of the Reserve Bank of India Act,1934.

39 Corporate Social Responsibility (CSR) is not applicable to the company as per provision of Section - 135 of the Companies Act, 2013.

40 Previous year's figure have been regrouped/reclassified wherever necessary to conform with the current year's

41 Schedule to the Balance Sheet of a non- deposit taking Non -Banking Financial Company (as required in terms of Paragraph 13 of Non - Systematically Important Non-Banking Financial (Non - Deposit Accepting or Holding ) Companies Prudential Norms (Reserve Bank) Direction, 2015 issued vide Notification No. DNBR. PD.007 /03.10.119 /2016-17 are attached, under separate Annexure - 1.

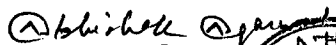
**As per our report attached of even date**

Signature to Notes 1 to 41

**For M B A H & CO**

Chartered Accountants

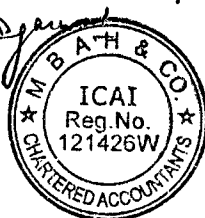
(ICAI Firm Regn. No. 121426W)



(Abhishek Agarwal)

Partner

M. No. 414050



Jamshedpur, India.

June 30, 2021

**For and on behalf of the Board**

For J.A. Finance Ltd.

(CIN: L65999WB1993PLC058703)



(Akshay Goyal)

Managing

(DIN - 00201393)



(Raju Patro)

Company Secretary

(M.No - 37271)



(Dilip Kumar Goyal)

Director

(DIN - 00033590)



(Mahesh Agiwal)

Chief Financial Officer

(PAN: AAWPA4982F)

J.A.FINANCE LTD.

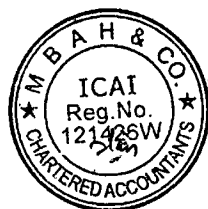
Notes forming part of the Financial Statements  
For the year ended 31 March 2021

Annexure - 1.

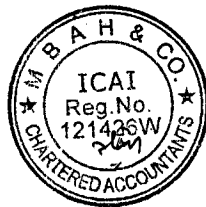
Schedule to the Balance Sheet of a non- deposit taking Non -Banking Financial Company (as required in terms of Paragraph 13 of Non - Systematically Important Non-Banking Financial (Non - Deposit Accepting or Holding ) Companies Prudential Norms (Reserve Bank) Direction, 2015 issued vide Notification No. DNBR. PD.007 /03.10.119 /2016-17.

SCHEDULE TO THE BALANCE SHEET OF NON -BANKING FINANCIAL COMPANY

Particulars	Amount Outstanding		Amount Overdue		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
<b>Liabilities Side :-</b>					
1	Loans and advanced availed by the NBFCs inclusive of interest accrued thereon but not paid :				
	(a) Debentures : Secured	NIL	NIL	NIL	NIL
	: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL	NIL	NIL
	(b) Deferred Credits	NIL	NIL	NIL	NIL
	(c) Term Credits	NIL	NIL	NIL	NIL
	(d) Inter - Corporate loans and borrowing	NIL	NIL	NIL	NIL
	(e) Commercial Paper	NIL	NIL	NIL	NIL
	(f) Public Deposits*	NIL	NIL	NIL	NIL
	(g) Other Loans	417.20	305.21	NIL	NIL
	* Please see Note 1 below				
2	Break -up of ( 1 ) ( f ) above ( Outstanding public deposits inclusive of interest accrued thereon but not paid :				
	(a) In the form of Unsecured debentures	NIL	NIL	NIL	NIL
	(b) In the form of partly secured i.e.debentures where there is a shortfall in the value of security	NIL	NIL	NIL	NIL
	(c) Other public deposits	NIL	NIL	NIL	NIL
	* Please see Note 1 below				
<b>Assets side :-</b>					
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
3	Break- up of Loans and Advances including bills receivables [ other than those included in ( 4 ) below ] :				
	(a) Secured	NIL	NIL	NIL	NIL
	(b) Unsecured (without impairment)	1950.66	1811.10	NIL	NIL



4	<b>Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL / HP activities</b>				
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Financial lease	NIL	NIL	NIL	NIL
	(b) Operating lease	NIL	NIL	NIL	NIL
	(ii) Stock on hire including hire charges under sundry debtors :				
	(a) Assets on hire	NIL	NIL	NIL	NIL
	(b) Repossessed Assets	NIL	NIL	NIL	NIL
	(iii) Hypothecation loans counting towards EL/HP activities				
	(a) Loans where assets have been repossessed	NIL	NIL	NIL	NIL
	(b) Loans other than (a) above	NIL	NIL	NIL	NIL
5	<b>Break-up of Investments :</b>				
	<u>Current Investments :</u>				
	1 <u>Quoted :</u>				
	(i) Shares : (a) Equity	NIL	NIL	NIL	NIL
	(b) Preference	NIL	NIL	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL	NIL	NIL
	(iii) Units of Mutual Funds	NIL	NIL	NIL	NIL
	2 <u>Unquoted :</u>				
	(i) Shares : (a) Equity	NIL	NIL	NIL	NIL
	(b) Preferences	NIL	NIL	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL	NIL	NIL
	(iii) Unites of Mutual Funds	NIL	NIL	NIL	NIL
	(iv) Government Securities	NIL	NIL	NIL	NIL
	(v) Others ( Please Specify )	NIL	NIL	NIL	NIL



Long Term Investments :-						
1	<u>Quoted :</u>					
( i )	Share :	( a ) Equity	6.10	0.58	NIL	NIL
		( b ) Preference	NIL	NIL	NIL	NIL
( ii )	Debentures and Bonds		NIL	NIL	NIL	NIL
( iii )	Units of Mutual Funds		NIL	NIL	NIL	NIL
( iii )	Government Securities		NIL	NIL	NIL	NIL
( iv )	Others ( Please specify )		NIL	NIL	NIL	NIL
2	<u>Unquoted :</u>					
( i )	Shares :	( a ) Equity	200.35	195.28	NIL	NIL
		( b ) Preference	NIL	NIL	NIL	NIL
( ii )	Debentures and Bonds		NIL	NIL	NIL	NIL
( iii )	Units of Mutual Funds		1.97	NIL	NIL	NIL
( iv )	Government of Securities		NIL	NIL	NIL	NIL
( v )	Others ( Property )		NIL	NIL	NIL	NIL

6 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :  
Please see Note 2 below

Category	Unsecured		Secured	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1. Related Parties **				
(a) Subsidiaries	NIL	NIL	NIL	NIL
(b) Companies in the same group	446.12	407.69	NIL	NIL
(c) Other related parties	89.35	603.13	NIL	NIL
2. Other than related parties (Unsecured)	1,415.20	800.28	NIL	NIL
<b>Total</b>	<b>1,950.66</b>	<b>1,811.10</b>	<b>NIL</b>	<b>NIL</b>

7 Investor group-wise classification of all investments ( current and long term ) in shares and securities ( both quoted and unquoted ) :  
Please see note 3 below

Category	Market Value/Break value or Fair Value or NAV*		Book Value (Net of Provisions)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1. Related Parties **				
(a) Subsidiaries	NIL	NIL	NIL	NIL
(b) Companies in the same group	61.46	59.46	61.46	59.46
(c) Other related parties	NIL	NIL	NIL	NIL
2. Other than related parties	138.89	135.83	138.89	135.83
<b>Total</b>	<b>200.35</b>	<b>195.28</b>	<b>200.35</b>	<b>195.28</b>

\*\* As per Accounting Standard of ICAI ( Please see Note 3 )





## 8 Other Information

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	<b>Gross Non - Performing Assets</b>		
	(a) Related parties	NIL	NIL
	(b) Other than related parties	NIL	NIL
(ii)	<b>Net Non - Performing Assets</b>		
	(a) Related parties	NIL	NIL
	(b) Other than related parties	NIL	NIL
(iii)	<b>Assets acquired in satisfaction of debt</b>	NIL	NIL

**Notes :**

1. As defined in Paragraph 2 (1) (xii) of the Non - Banking Financial Companies Acceptance of Public Deposits ( Reserve Bank) Directions, 1998.

2. Provisioning norms shall be applicable as prescribed in the Non Systemically Important Non - Banking Financial (Non Deposit Accepting or holding) Companies Prudential Norms ( Reserve Bank ) Directions, 2015.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also asstes acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column ( 5 ) above.

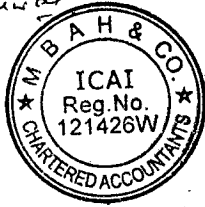
As per our report of even date attached.

For M B A H & CO

Chartered Accountants

ICAI Firm Regn No:- 121426W

*Abhishek Agarwal*  
(Abhishek Agarwal)  
Partner  
M. No. 414050



Jamshedpur, India.  
June 30, 2021

For and on behalf of Board of Directors

*Akshay Goyal*

(Akshay Goyal)  
Managing  
(DIN - 00201393)

*Raju Patro*

(Raju Patro)  
Company Secretary  
(M.No - 37271)

*Dilip Kumar Goyal*

(Dilip Kumar Goyal)  
Director  
(DIN - 00033590)

*Mahesh Agiwal*

(Mahesh Agiwal)  
Chief Financial Officer  
(PAN: AAWPA4982F)

J.A.FINANCE LTD.

Notes forming part of the Financial Statements

For the year ended 31 March 2021

Disclosure in Notes to Financial Statements

(Rs. In Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	1,950.66	4.88	1,945.78	4.88	-
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>1,950.66</b>	<b>4.88</b>	<b>1,945.78</b>	<b>4.88</b>	<b>-</b>
<b>Non - Performing Assets (NPA)</b>						
Sub standard	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
Doubtful - 1 to 3 years	Stage 3	-	-	-	-	-
Doubtful - more than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind As 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	1,950.66	4.88	1,945.78	4.88	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	<b>Total</b>	<b>1,950.66</b>	<b>4.88</b>	<b>1,945.78</b>	<b>4.88</b>	<b>-</b>

