



PHF LEASING LIMITED

24th

ANNUAL REPORT

2015-16

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CORPORATE INFORMATION

Board of Directors : SUBHASH CHANDER SIKKA (Chairman)
SHIV DYAL CHUGH (Managing Director)
ROHIN CHUGH
CHANDAN CHUGH
JATINDER SINGH MAKKAR
NEELAM KOHLI

Auditors : M/s. DASS & Co.
Chartered Accountants
Civil Lines, Jalandhar

Corporate Advisors : M/s Dinesh Gupta & Co.
Raj Chamber, Hind Samachar Street,
Jalandhar.

Bankers : PUNJAB NATIONAL BANK.
HDFC BANK LTD.
ICICI BANK LTD.
IDBI BANK LTD.
CAPITAL SMALL FINANCE BANK LTD.
INDIAN BANK.

**Registered &
Corporate Office :** 923, G.T.Road,
Jalandhar, Punjab
Ph. 0181-4639903-08
Fax. 0181-2459635
e-mail: phf_leasingltd@yahoo.co.in

Branch Offices :

- SCF 5, Shastri Nagar, Batala.
Ph. 01871-228492.
- Dhariwal Complex, Opp. Bawa Lalvani School
Kapurthala. Ph. 01822-232349.
- Putli Ghar, Amritsar
Ph. 0183-2229181.

**Stock Exchanges
Where Company's
Shares are Listed :** DSE, LSE (EXIT ORDERS ISSUED)
Application with BSE for listing of shares is
withdrawn

NOTE : MEMBERS ARE REQUESTED TO BRING ANNUAL REPORT IN THE ANNUAL GENERAL MEETING.



DIRECTOR'S REPORT

To
The Esteemed Members,

Your Directors are pleased to present the 24th Annual Report and the Company's audited accounts for the financial year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2016 and previous years are as under:

(Figures Rs. in lacs rounded off)

SR. No.	<u>PARTICULARS</u>	Current Year Ended March 31, 2016	Previous Year Ended March 31, 2015
1.	H.P. Stock	1443.70	1673.23
2.	Borrowings	1102.28	1365.00
3.	Gross Income	379.74	421.93
4.	Expenditure (excluding depreciation)	362.42	364.97
5.	Depreciation	7.39	10.47
6.	Profit before taxes	9.93	75.34
7.	Taxes / Adjustments	(5.73)	25.72
8.	Net Profit after Tax	4.20	49.61
9.	Profit Brought Forward	61.00	60.34
10.	Provision for dividend	0	26.89
	Provision for dividend tax	0	5.47
11.	Transfer to Statutory reserve	0.84	10.00
	Transfer to General reserve	0	4.00
12.	Paid up Capital	298.78	298.78
13.	Reserve & Surplus	206.51	202.31
14.	Net Owned Funds	505.27	500.40
15.	Dividend %	0	9%
16.	Earnings Per Share	0.14	1.66



In this Competitive market PHF Leasing has tried to perform its operations well and laid more emphasize on the recovery and have adopted a defensive strategy for granting loans in order to have minimum bad debts in future. As a result the revenue from Operations reduced by almost 10% and due to increased loss on sale of repossessed vehicles and other related expenses the Net Profit of the Company stood at Rs. 4.20 Lakh.

TOTAL GROSS INCOME

The total gross income of the Company stood at Rs. 379.74 Lakh for the Financial year ending March 31, 2016 against Rs. 421.93 Lakh for the financial year ending March 31, 2015 registering a decrease of about 10.00 %. The reasons of the decrease in the gross income was the defensive policy adopted by the Company for minimizing the risk of bad debts.

NET PROFITS

As a result of huge loss on the sale of repossessed vehicles, rebates and discounts given to the clients in order to settle the bad debts and increased salaries of staff employed for better recovery, the Net Profit of the company stood at Rs 4.20 Lakh as on March 31, 2016 as compared to Rs. 49.61 Lakh as on March 31, 2015. The Company has even spent Rs. 1.35 Lakh for software development in order to have efficient and better working. The company is functioning hard to increase its profitability.

NET OWNED FUNDS

Net Owned Funds of the Company as on March 31, 2016 increased to Rs. 505.27 Lakh as compared to Rs. 500.40 Lacs as on March 31, 2015.

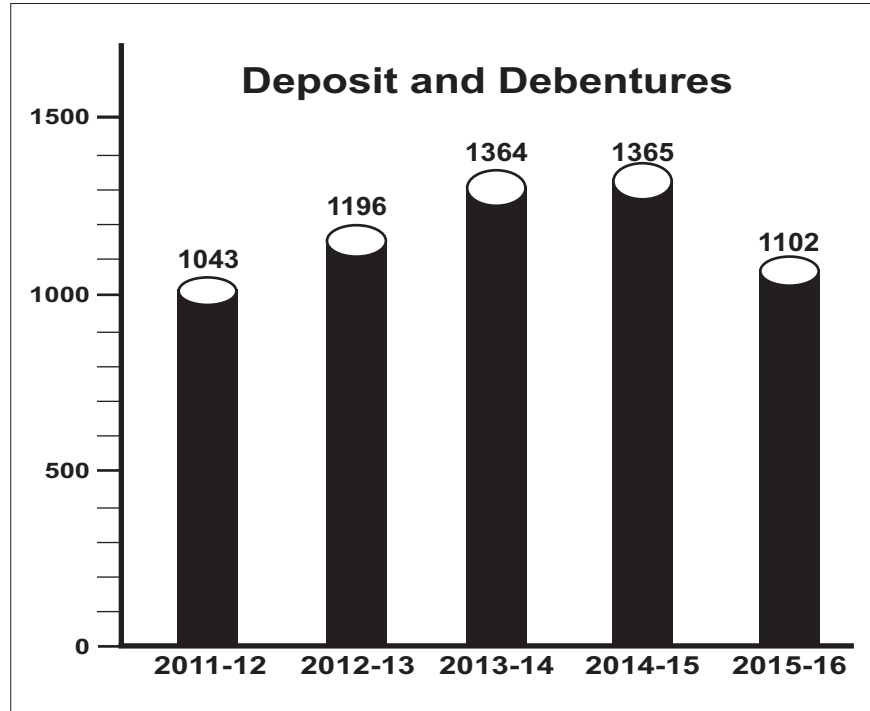
DIVIDEND

Keeping in view the Low Profits earned during the year with future prospects and growth, the Board of Director's of the company has decided to plough back the profits for the financial year ending March 31, 2016. The Company looks forward to achieve higher growth rate in the coming years..



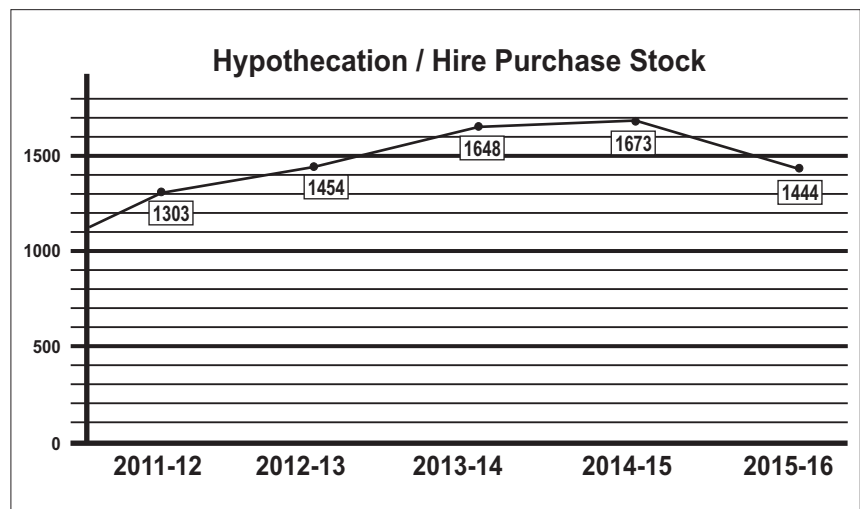
BORROWINGS

The borrowings of the company stood at Rs. 1102.28 lakh as on March 31, 2016 as compared to Rs. 1364.42 lakh as on March 31, 2015. All the deposits due for repayment during the year were paid during the year. No amount outstanding in the unclaimed/unpaid deposit account as on March 31, 2016. The Company has complied with the liquidity requirements of the Reserve Bank of India to maintain the liquid assets. The company has also complied with the RBI directions regarding acceptance of deposits and additional norms applicable to it.



HYPOTHECATION / HIRE PURCHASE STOCK

The company has adopted a defensive policy of investing in hire purchase/ hypothecation of commercial vehicles, two wheelers and three wheelers. The Hypothecation/ Hire Purchase stock of the company has decreased to Rs. 1443.70 lakh as on March 31, 2016 as against Rs. 1673.23 lakh in the previous year as on March 31, 2015.





OPERATIONS - PROSPECTS AND FUTURE PLANS

Your Company is primarily engaged in financing of all type of Vehicles, Moveable assets, Commercial Vehicles two wheelers and three wheelers which are either generating income or has economic value to the customer in India. Your Company classifies its customers as 'Borrowers' whose loans are outstanding. Your Company's core business is investing in hire purchase/ hypothecations of commercial vehicles, two wheelers and three wheelers which are either produces income or has economic value to the customer or have profitable worth and financing/ providing loans and certain other basic financial services to its progressive poor and other Borrowers. Our Borrowers are predominantly located in rural areas in India, and your Company makes available loans and finance to them mainly for use for the personal consumption, businesses or for other income generating activities.

In its core business, your Company operates with transparent policies, well-managed team at Head Office & Branches and positive efforts of field officers. Your Company is providing services to all borrowers and customers mainly from three branches located at Amritsar, Batala and Kapurthala in which the hire purchase/hypothecation of commercial vehicles, two wheelers and three wheelers services and other services of financing and loans for purchase of new or used vehicles from dealers is provided.

Our operations/field officer's team has initiated new measures to bring in efficiency and control through the 3 Ts viz. Technology, Training and Talent with able support of the Human Resource Department. In last financial year, the Company has even developed the software for better control and working. Company's key focus was entirely on enhancing backend efficiency through implementation of Document Management System as a backend technology framework for centralized loan processing. This initiative has helped us increase user productivity, credit delivery and has reduced Loan process time. The objective is to provide not just customer satisfaction, but also customer delight. Moreover, branches today have access to all reports and are being envisioned as individual business units catering to customer transaction and services.

LISTING STATUS OF THE COMPANY

During the financial year 2015-16 your Company has received a letter from Bombay Stock Exchange (BSE) Limited dated December 07, 2015 for payment of listing fees of Rs. 25.00 Lakh or to withdraw the application in the form of information memorandum for Listing of the equity shares of the company on Bombay Stock Exchange (BSE) under Direct Listing Norms. The Company decided to withdraw the application due to the huge increase in the Listing fees and to safeguard the financial assets to compensate the reduced profits. The company has been moved to Dissemination Board of Bombay Stock Exchange (BSE) by the existing stock exchanges.

**CHANGE IN THE NATURE OF BUSINESS**

The Company during the financial year 2015-16 does not have any change in the nature of business, however your Company has New Business Plans and Future Road Maps. To increase the efficacy and control over the business activities needs inspection and regular check of business activities has been enhanced.

CODE OF CONDUCT & ETHICS

PHF Leasing Limited has reviewed the 'Code of Conduct' (COC) & ETHICS of the Company during April 30, 2015. The assessment and compliance is being conducted by efficient and proficient Principal Officer of the Company as an independent agent of the Company,

PHF Leasing Limited has also uploaded the Code of Conduct & Ethics on website of the Company as required under the compliance of the Listing Agreement.

RESERVE BANK OF INDIA REGULATORY UPDATE

Your Company has been following all the relevant guidelines and directions issued by the Reserve Bank of India from time to time. The Company has been classified as a registered Category-A, NBFC-AFC (Non-Banking Financial Company Asset Finance Company) since from 3 decades. The company has been submitting all the necessary returns to RBI regularly and ensuring compliance of all the regulatory norms.

DEPOSITS

The Company is registered with Reserve Bank of India as Deposit taking NBFC (AFC-D). The Company has not accepted fresh public deposit during the financial year 2015-16 and the Public deposit outstanding as on March 31, 2016 is Rs. 628.30 Lakhs and from Directors & Relatives Rs. 125.65 Lakh.

FAIR PRACTICES CODE

Your Company has duly complied with the provisions of RBI relating to the maintenance and review of the Fair Practice Code. PHF Leasing Limited has adopted Board approved Fair Practices Code, which provides operating guidelines for effective dissemination and implementation of responsible business practices and grievance redressal system. The company is implementing the best policies prevalent in the industry for transparency and efficient recovery. Further, the Company is also complying with the KYC Procedures as a tool to Risk Management.



At the operational level, all NBFCs are required to display prominently details of their company's grievance redressal officer, including details of the local office of the RBI at their branches and other places of business, for the benefit of the customers. Your Company has revised the Code of Conduct along with relevant policies in line with the RBI's amended Fair Practices Code for NBFCs and the details of its grievance redressal officer and the local office of the RBI, have been displayed at its branches. Fair Practice code has also been displayed on Web site of the company at www.phfleasing.com.

DISCLOSURES PURSUANT TO COMPANIES ACT, 2013 & RULES AND LISTING AGREEMENT

1. **EXTRACT OF ANNUAL RETURN UNDER SECTION 92(3) READ WITH RULE 12 OF CHAPTER VII RULES.**

The extract of the Annual Return as provided under Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 forms part of this report and is annexed hereto.

2. **NUMBER OF BOARD AND COMMITTEE MEETINGS WITH DATES AND NUMBER OF MEETINGS ATTENDED BY EACH DIRECTOR UNDER SECTION 134(3) (B);**

Particulars	Board Meetings		Audit Committee	Risk Management Committee	Nomination and Remuneration	Independent Directors Meeting
Number of Meetings	10		3	0	1	1
Dates of Meeting	April 30, 2015, July 25, 2015, September 26, 2015, November 21, 2015, January 30, 2016,	May 30, 2015, August 8, 2015, October 31, 2015, December 12, 2015, March 26, 2016	May 30, 2015, August 08, 2015, October 31, 2015	—	September 26, 2015	April 30, 2015

**NO. OF MEETINGS ATTENDED BY DIRECTORS & KMPs**

Name of Directors	Board Meeting Attended	Audit Committee	Risk Management Committee	Nomination and Remuneration	Independent Directors Meeting
Subash Chander Sikka	10	3	-	1	1
Shiv Dyal Chugh	10	-	-	-	-
Rohin Chugh	10	-	-	1	-
Chandan Chugh	10	-	-	-	-
J.S Makkar	10	-	-	-	-
Neelam Kohli	10	3	-	-	1
*G.S Gill	5	-	-	-	-
*J.L Gaba	8	3	-	1	1
*Kuldeep Bhandari	8	-	-	-	-
*Mahesh Kumar	5	-	-	-	-
*Drishti Sharma	3	-	-	-	-

3. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(3)(C); SEC 134 (5)(A) TO (F) AND SEC 134(5)(E)

In accordance with the applicable Provision of the Company Act, 2013, Your Directors state that: -

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds & other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis; and



- (v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (vi) The Directors had laid down Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and were operating effectively.

4. INDEPENDENT DIRECTORS' DECLARATION UNDER SECTION 149(6) & (7).

PHF Leasing has received the declarations from the Independent Directors under the provisions of section 149(6) & (7) of Companies Act as on the first meeting of the financial year.

5. APPOINTMENT OF INDEPENDENT DIRECTOR UNDER SECTION 149(4).

The Company has not made any fresh appointment of any Independent Directors during the financial year 2015-16.

6. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, ATTRIBUTES, INDEPENDENCE ETC. UNDER SECTION 178(1) & (3)

The Nomination and Remuneration Committee of the Company has put in place 'Fit & Proper' criteria policy for considering the appointment and remuneration of Directors and Key Managerial Personnel as per the guidelines issued by RBI. The policy contains detailed procedures for determining qualification, positive attributes, due diligence mechanism and reference checks for appointment of Directors and Key Managerial Personnel.

7. COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE BY AUDITORS IN AUDIT REPORT.

M/s Dass & Co., Chartered Accountants, Jalandhar Statutory Auditors of the company have audited the accounts of the company for the financial year 2015 - 2016 as per the accounting standards followed in India. There is no qualification, reservations or adverse remarks given by the Auditors which need comments by the Board. The notes to accounts referred to in Auditors' Report has been discussed by the Board and are self-explanatory and therefore, in the opinion of the Directors, do not call for any further comments.



8. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE BY PCS IN SECRETARIAL AUDIT REPORT.

The Secretarial Audit Report from M/s Dinesh Gupta & Co., Company Secretaries, Jalandhar is obtained for the financial year ended March 31, 2016 and there are no Qualification, Reservation, Adverse Remarks or Disclaimer made by M/s Dinesh Gupta & Co. in the said Secretarial Audit Report which need explanations or comments by the Board.

9. LOANS, GUARANTEES & INVESTMENTS UNDER SECTION 186

The company has disclosed in the financial statements the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security as provided under section 186 (4) of the Companies Act, 2013. However, no Loans, Guarantees have been given and investment made other than in the ordinary course of business.

10. RELATED PARTY TRANSACTION UNDER SECTION 188 READ WITH RULE 8(2) OF COMPANY (ACCOUNT) RULES, 2014

During the year, company has not entered into related party transactions according to section 188 of the Companies Act, 2013. Hence no information is required to be furnished in this regard.

11. STATE OF THE COMPANY'S AFFAIRS

The state of affairs of the company in details has been given separately in different sections of the Board Report and also under Management Discussion and Analysis.

12. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES, IF ANY

The Company is required to transfer 20% of its Profit after Taxes (PAT) mandatorily to statutory reserves as per Section 45 (IC) of the Reserve Bank of India Act. Accordingly, the amount of Rs 0.84 Lacs has been transferred to statutory reserves as on March 31, 2016.

**13. MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING BETWEEN DATE OF FINANCIAL STATEMENTS AND THE BOARD'S REPORT.**

There is no such material change and commitment which affects the financial position of the company occurring between the date of Financial statement and date of Board Report.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO, IN MANNER PRESCRIBED.**A) Conservation of Energy**

The company being an NBFC, the Energy consumed by the Company during this period is only the form of electricity and diesel used in generators. The company has allocated specific cost budgets for the same in Head office and all its branches to reduce electric waste and the same is monitored on periodical basis. Other measures like use of LEDs, power saver air-conditioning equipments etc are being installed for conserving the energy. The company is also exploring for using alternative source of energy. There is no capital investment on energy conservation equipment other than specified above.

B) Technology Absorption

- (i) PHF Leasing is using customized centralized finance software for its operational and financial activities. The Company has even spent Rs. 1.35 Lakh for the development of the software. It is designed to handle large volume of accounts and transactions. It is equipped with customizable modules, menu driven interface that can be easily adapted to the changing business and growth requirements that also safeguards IT investments.
- (ii) New Developments in Technology Field
The company has hired a renowned Vendor for providing for changing regulatory and need based developments.
- (iii) The Company has not used any imported technology during the previous three financial years.
- (iv) During the year, the Company has not incurred any expenditure on Research & Development.

C) Foreign exchange earnings and Outgo-

During the year, the company has earned an income of Rs. 50367/- from Full Fledge Money Changer Business.

**15. DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY**

Risk is an integral part of your Company's business, and sound risk management is critical to the success of the organization. As a financial intermediary, your Company is exposed to risks that are particular to its lending and the environment within which it operates. Your Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout your Company. The risk management process is continuously improved and adapted to the changing global risk scenario.

Your Company has an elaborate process for risk management. The company has a comprehensive Risk Management Policy. Major risks identified in the processes are systematically addressed through mitigating actions on a continuing basis. These are discussed with both in the Risk Management Committee and the Audit Committee and corrective actions are taken as advised. The Risk Management Committee of the Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

16. DETAILS OF CSR POLICY AND ITS IMPLEMENTATION

In the midst of certain uncertainties in the sector, PHF Leasing has continued to demonstrate its commitment to a wide range of social initiatives. The Company basically is a Social Responsible Institution and has holistic approach to Go Green and Save Little Angles alleviation. Notwithstanding the fact that the provisions of Section 134(3) are not applicable to the company, it has been organising awareness for the Go Green and Save Little Angles.

17. MANNER IN WHICH FORMAL ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN CARRIED OUT

The Company's Board of Directors is dedicated to act in good faith; exercise its judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, the Board approved policy for performance evaluation has been put into place in accordance with the requirements of Section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board and Board Committees shall be assessed by the Company. Such an evaluation procedure provides a fine system of checks and balances on the performance of the directors and ensures that they exercise their powers in a rational manner.

The Nomination and Remuneration Committee undertook the review of skills, activities and time commitment of the Board and Committees for the year 2015-16. This was undertaken to ensure that Board and Committees are well positioned to develop and execute PHF Leasing's strategy. The review of the performance of Nomination Committee and its members has been done by Board. The review included a discussion on how the Board should approach its work in future. Given the review of Board skills, certain key areas of Board's working are tested which includes strategy, assurance, risk, governance and compliance processes. The outputs of evaluation are discussed with the Board, each committee and individually.



18. CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS/ KEY MANAGERIAL PERSONNEL DURING THE YEAR

Board of Directors/ KMPs of PHF Leasing Ltd. as on March 31, 2016

S.No.	Name of Director	Designation/ Category	Experience	Changes if any	Effective date
1	* G.S Gill	Director & Non Executive	35 years in NBFC	Resignation	September 26,2015
2	* J.L Gaba	Independent Director & Non Executive	15 years in NBFC and Cotton Industry	Resignation	January 06,2016
3	* Mahesh Kumar	Company Secretary & Compliance Officer	1 year	Resignation	September 26,2015
4	* Drishti Sharma	Company Secretary	1 year	Resignation	January 06,2016
5	* Kuldeep Bhandari	Chief Financial Officer	Experience of 17 years in handling Financial & accounts Dept. of the Company	Resignation	January 06,2016

The Board of directors of the company is duly constituted in accordance with the provisions of the Companies Act, 2013, Listing Agreement and RBI regulations. Mr. Rohin Chugh will retire by rotation at the Annual General Meeting, and being eligible for reappointment.

*Mr. G.S Gill resigned from the directorship of the Company on September 26, 2015. The Board places on record the appreciation of the guidance given by Mr. G.S Gill during their tenure as directors.

*Mr. Mahesh Kumar was appointed as Company Secretary and Compliance officer of the Company on April 1, 2015. He resigned from this post vide resignation letter dated September 15, 2015 with effect from September 26, 2015.

*Mr. Jagdish Lal Gaba has resigned from the post of Independent Director of the Company on January 06, 2016.

*Mr. Kuldeep Bhandari has resigned from the post of Chief Financial Officer (CFO) of the Company on January 06, 2016.



*Ms. Drishti Sharma was appointed as Company Secretary of the Company on September 26, 2015. She has resigned from this post vide resignation letter Dated January 02, 2016 with effect from January 06, 2016.

APPOINTMENT OF KMPs

No fresh appointment of KMPs has been made by the Company during the Current Year. The following are the KMPs as on March 31, 2016.

Name	Designation
Mr. Shiv Dyal Chugh	Managing Director

19. NAME OF THE COMPANIES WHICH HAS BECOME / CEASED TO BE SUBSIDIARIES/ ASSOCIATES OR JOINT VENTURES DURING THE YEAR

During the financial year 2015-16, no Company became or ceased to be the subsidiary/ Associate or joint venture of PHF Leasing Limited.

20. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the previous year following Orders were passed by the Tribunal, Regulator and Courts:

The company had purchased 12 Bonds of Madhya Pradesh State Electricity bonds 1999 worth Rs. 12.00 Lacs on 13.01.2000 whose maturity period expired on 13.01.2007. During the year 2014-15, the Company received Rs. 16,26,786/- which pertain to Principal sum Rs. 12,00,000/- and Rs. 4,26,786/- towards interest calculated @ 7% upto 31.03.2005 and @ 8% for the subsequent period from 01.04.2005 to 13.01.2007 as against contracted rate of 13.70%. The Company had filed recovery Suit against Madhya Pradesh State Electricity Board in Delhi Distt. Court for the recovery of differential interest as per Contract rate against the payment given by the Madhya Pradesh State Electricity Board. The Company has also filed claim of interest for the delayed receipt of principal & interest. The cases are pending for adjudication.

**21. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A statement of adequacy of Internal Controls with reference to financial statements is attached with Auditor's report.

22. SEPARATE SECTION CONTAINING A REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any Subsidiary, Joint venture or Associate Company.

23. ESTABLISHMENT OF VIGIL MECHANISM

Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 provides for establishment of vigil mechanism for directors and employees. PHF Leasing has framed Vigil Mechanism to report concerns to the management, about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, without any fear or threat of being victimized. The Audit Committee of the Company reviews the functioning of Vigil Mechanism half yearly to ensure its effectiveness. Any employee or director of the Company can approach Chairman of the Audit Committee and/ or Ethics Counsellor for reporting genuine concern of actual or probable violation of Company's code of conduct.

Further, the Vigil Mechanism/ Whistle Blower Policy of the Company is also available on the website www.phfleasing.com of the company.

24. DISCLOSURE IN RESPECT OF ANY MD / WTD RECEIVING COMMISSION FROM A COMPANY AND ALSO RECEIVING COMMISSION OR REMUNERATION FROM ITS HOLDING OR SUBSIDIARY COMPANY

The Company does not have any Holding/Subsidiary Company.

25. RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES

Information as per Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

- (i) None of the Directors were in receipt of managerial remuneration other than Mr. Shiv Dyal Chugh during the financial year 2015-16.



- (ii) The KMPs is primarily responsible and instrumental in achieving the goals of the company and the increase in their remuneration is suitable as compared to the performance of the Company.
- (iii) The percentage increase in the median remuneration of the employees in the financial year 2015-16 was 7.80%.
- (iv) The number of permanent employees on the rolls of the Company was 39 during the financial year 2015-16.

The increase in remuneration of employees depends on various factors like qualification, experience, performance, length of service etc. PHF Leasing being a growing organization, the increase in remuneration of KMPs who is instrumental in the growth of the company since the start of Core Business of the company is not disproportionate to the average increase in remuneration of other employees who are joining at various intervals and at different levels.

The remuneration being given to the KMPs is not inconsistent to the significant performance of the company. None of the Directors were in receipt of any variable remuneration during the year 2015-16. Mr. Shiv Dyal Chugh has been given Rs. 10.80 lakh as remuneration during in Financial Year 2015-16.

None of the Directors were in receipt of any Sitting fees during in Financial Year 2015-16. The Company hereby affirms that the remuneration paid to employees of the Company during the financial year 2015-16 is as per the terms of remuneration policy of the Company.

Information as per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

There are no employees in the Company drawing salary of Rs. 60 lakh per annum or Rs. 5 lakh per month or more; and none of the employees are relatives of Directors. Moreover, none of the employees of the Company hold by himself or along with his spouse or dependent children two percent or more equity shares of the Company.

**26. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOS ETC.**

The company has not issued any equity shares with Differential Rights, Sweat Equity, ESOP etc. During the financial year 2015-16.

NON-PERFORMING ASSETS

Your Company has made provisions for NPAs as per guidelines of RBI. The company is making earnest efforts through continuous appraisal, timely recovery and sound policy of write-offs for reducing and controlling the NPAs. A transparent and pragmatic recovery policy has been framed to ensure that there is no let up in the recovery and upgradation of the over dues. During the year under review company has made a provision of Rs. 12.66 lakh as per the norms prescribed by RBI. The Company has transferred Rs. 4.20 lakh as provision on standard assets @ 0.30% as per the new RBI instructions.

AUDITORS AND AUDITOR'S REPORT

M/s Dass & Company, Chartered Accountants, Jalandhar Statutory Auditors of the company have audited the accounts of the company for the financial year 2015-16 as per the accounting standards followed in India. M/s Dass & Company, Chartered Accountants, Jalandhar Statutory Auditors of the Company, hold office until the conclusion of the Twenty Fifth Annual General Meeting of the company to be held in the year 2017 (subject to ratification of their appointment at every AGM) at remuneration to be fixed by the Board of Directors of the Company.”

The Company has received letters from M/s Dass & Company to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

DIRECTORS RESPONSE TO THE COMMENTS, IF ANY, MADE BY THE AUDITORS IN THEIR REPORT

Auditors' Report read together with relevant notes to accounts does not contain any qualification of significant nature and do not call for any explanation/ clarification by the Board.

SECRETARIAL AUDIT

In compliance with the new provisions of Companies Act, 2013, the Secretarial Audit of the Company has been conducted by M/s Dinesh Gupta & Co., Company Secretaries, Jalandhar for the financial year ended March 31, 2016. The said report is attached to the Board Report.



CUSTOMER GRIEVANCE REDRESSAL

The Company has laid down an appropriate grievance redressal mechanism to ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.

PHF Leasing adopted a well-structured customer grievance redressal mechanism and provides customers a reliable and easily accessible interface for timely and fair resolution of enquires & complaints. The policy aims to minimize the instances of customer complaints through proper service delivery and review mechanism.

- **Grievance Redressal at Branch Level** - We have placed suggestion cum complaint boxes in all our branches as the customers' first point of contact for any query resolution. Due to low literacy and vulnerable backgrounds, our customers find it convenient talking to someone face-to-face rather than calling a remote helpdesk, hence we have given importance to placement of suggestion cum complaint boxes in all our branches.
- **Grievance Redressal Officer** - We have appointed Grievance Redressal Officer (GRO) at Head Office for 3rd level escalation. GRO monitors customer grievances at all the levels and is responsible for ensuring timely resolution of all complaints through CCRs and Help Desks. A report on status of customer grievances is periodically reviewed at various levels of Management and the Board for decision making and minimizing complaints.

Our efforts at customer education during the years have paid off with an increasing number of customers approaching our grievance redressal channels for their queries

CORPORATE GOVERNANCE

The Company has complied with all the requirements regarding Corporate Governance as required under the revised Clause 49 of the Listing Agreement with the Stock Exchange(s) upto December 2015. The report on Corporate Governance, Management Discussion and Analysis, as well as the Auditors Certificate on the compliance of Corporate Governance forms part of the Annual Report and same is stated in Annual Report.

**MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion & Analysis report, highlighting the important aspects of business, forms part of this report.

ACKNOWLEDGMENT

We are grateful to our Bankers, Central and State Governments, Reserve Bank of India and other statutory bodies for their co-operation and guidance. We appreciate company's staff for putting in their best. We express our sincere gratitude to our valued clients, depositors, hirers and associates for their trust and co-operation. Last but not least on behalf of the Board of Directors; I thank you dear shareholders for your continuous support at all times.

For and on behalf of the Board of Directors

PHF LEASING LIMITED

**Place : Jalandhar
Date : May 28, 2016**

**Sd/-
Shubhash Chander Sikka**
Chairman
DIN:01871492

**Sd/-
Shiv Dyal Chugh**
Managing Director
DIN : 00993747



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The advance estimate of real GDP growth released in February 2016 by the Central Statistical Organisation of the Government of India suggests a pick-up from 7.2% in the previous year to 7.6% for 2015-16 (henceforth FY2016). While still short of the 8% growth that India needs to achieve, on a steady state basis, this will be a creditable achievement given the muted global economic scenario. Indeed, there have been early signs of an up-tick in both consumer demand and the beginnings of much needed growth in investments. As of now, these are more in the nature of 'green shoots'. However, if the monsoons are as good as the preliminary meteorological forecast suggests coming as it will after two consecutive years of drought across many parts of India then the country ought to expect higher GDP growth in 2016-17. How was FY2016 for India's two and three-wheeler industry? Despite somewhat higher estimated GDP growth for the year, domestic sales of motorcycles (in units) showed a marginal degrowth of 0.4% compared to the previous year. Given the difficult global scenario, exports of motorcycles for the industry as a whole reduced by 1.9%. Consequently, total motorcycle sales in India plus exports in FY2016 fell by 0.7% over FY2015. After a smart growth of three-wheelers sales (domestic plus exports) in FY2015, the numbers for the industry remained almost flat in FY2016 with a modest growth in domestic sales being netted out by an almost similar degrowth in exports. To summarise, for the Indian industry, motorcycles and three-wheelers sales both in the country and abroad degrew by 0.6% in FY2016 vis-à-vis the previous year.

2. OUTLOOK

Expected moderate loan growth witnessed with NBFCs to continue and management focus to shift more on improving recoveries and collection efficiency, and control operating costs. The disbursements are likely to remain subdued till 3QFY17 in various key segments, such as commercial vehicles (CV) heavy and medium CVs (HMCVs), light CVs (LCVs), construction equipment (CE), and in passenger vehicles (PVs). Agricultural equipment (AE), mainly tractor financing, is expected to remain steady, although the 2016 monsoon will be the key factor.

3. OPPORTUNITIES, RISKS AND CONCERNS

With positive outlook coming out with the new government, the asset finance sector especially the commercial vehicle finance sector is expecting better growth this year. Scenario is expected to motivate Additional FDI together with better growth in infrastructure sector which will



further result in growth of allied sectors like commercial and allied vehicles. These factors will certainly raise demands for asset finance in the coming days. With implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc. considerable growth is expected during the current year. Your company has very well established itself as one of the leading players in the region and carries a brand image of personalized service and a big fleet of satisfied customers. All this is going to help your company to boost up growth.

Your company continues to face competitive pressures from the banking sector and financial institutions, due to their increased penetration in the consumer financing market, with comparatively low cost of funds at their disposal.

According to the management, the Company has been financing reliable & loyal clients who have good potential to generate returns. There is a general concern regarding the interest rate fluctuations, fiscal & monetary policies, which might affect the profitability of the Company. However your company remains upbeat about the Indian economic growth, especially the finance sector. The Company will anticipate & counter the economic fluctuations to the best of its capacity. The Company in such a business always faces the risk of default or non-payment. Your Company will continue to adopt strategies to register significant increase in business volumes.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is designed to ensure operational efficiency, Effective use of resources and safeguarding of assets protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal analysis process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

To provide reasonable assurance that the assets are safeguarded against loss or damage and that the accounting records are reliable for preparing the financial statements, the Company has a proper and adequate system of internal controls. The Company has in place well structured systems and procedures in line with the best of practices and well defined roles and responsibilities for people in all functions at various levels.



5. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The Company has put in place sound policies for the growth and progress of its employees. These include definite performance-based incentive plans employees. The Company also recognizes the importance of providing training and development opportunities to its people to enhance their skills and experience, which in turn enables the Company to achieve its business objectives.

Talent Management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization. Attrition has been managed well and has been below industry benchmarks.

The Company regards its employees as valuable asset and continuously reviews and evolves policies and procedures to attract and retain its pool of technical and managerial personnel through a conducive work environment.

6. STAKEHOLDER'S RELATIONS

Investor being the back bone of your company, the company pays special attention towards maintaining cordial and fluent relations with them. Prudent efforts are made to provide best attention towards investors and the same time to redress their grievances in a prompt manner. Your company has incorporated all the guidelines provided by the Reserve Bank of India with respect to fair practice code in its code of conduct. All these untiring efforts of your company have resulted in no complaints during the year. Furthermore your company has always been active and vigil in providing timeliness information to the stakeholders.

7. STRENGTHENING THE KNOWLEDGE PROPOSITION

A knowledge-led culture has been the company's core strength. While the knowledge of the customer enables the company to address delinquency risk, the knowledge of the territory enables it to prudently invest into relevant markets. Product knowledge enables it to address and control the credit quality across product verticals. The company has created a scalable business model based on creation of an organizational structure that readily addresses all the risks concerning Customers, Territory and Products. As a result, the company is able to mitigate its credit risk efficiently, in wake of its growing volumes.



8. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The risk management process is governed by the Enterprise Wide Risk management framework. The Risk Management oversight structure includes Senior Management and regularly reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The Management nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company.

As part of the Risk Management framework, the management of Credit Risk, Market Risk, Operational Risk and Fraud Risk are placed under the Head-Risk, to ensure Integrated Risk Management for various Risks. The Credit Risk management structure includes extensive credit policy and procedures for various businesses. Concentration Risk is managed by sector, geographical region, single borrower and borrower group.

Management of Liquidity (Asset Liability and Interest Rate) and Market Risk is carried out using quantitative techniques. The Finance and Asset Liability Supervisory Committee reviews liquidity risk and the interest rate risk profile of the organization on a regular basis.

The Company has a practice of Ongoing monitoring of Key Risk Indicators which is performed by Senior Management. Causal analysis is carried out and corrective actions are implemented on KRI exceptions. A Senior Management meets periodically to review the operational risk profile of the organization.

Risks associated with frauds are mitigated through a Fraud Risk Management framework by Senior Management representatives, reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

9. IT SUPPORT

During FY 2015-16, the Company stabilized its Transactional systems and made significant progress towards its goal of total automation of all its business processes. At PHF Leasing there is emphasis on continual improvement and up gradation of systems and the underlying processes.



10. ENVIRONMENTAL PROTECTION

Environment is the great matter of concern for the Company. Company over the last few years has tried its best to conserve the environment. Company is always keen to make new policies for the environment and Company regularly monitor all the policies made in this matter. Company is committed to achieve high level of efficiency by lowering down the impact of industrial wastage on the environment.

11. COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the RBI such as Capital Adequacy, Net Owned Funds, provisioning for Non-Performing Assets and for standard assets, Concentration of Credit and Investment, filings, etc.

The Company has complied with all applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and the RBI Act, 1934 and other applicable rules/regulations/guidelines issued from time to time.

12. CAUTIONARY STATEMENT

The Management Discussion and Analysis Report may contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on the availability of qualified and trained manpower, economic conditions, government policies and other factors. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

**For and on behalf of the Board of Directors
PHF LEASING LIMITED**

**Place : Jalandhar
Date : May 28, 2016**

**Sd/-
Shubhash Chander Sikka
Chairman**

**Sd/-
Shiv Dyal Chugh
Managing Director**



CORPORATE GOVERNANCE REPORT

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2016)

The Board of Directors of the Company present the Company's Report on Corporate Governance pursuant to the statutory compliances as required under Clause 49 of the Listing Agreement ("Old Listing Agreement") and under the regulations of Uniform Listing Agreement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations") as notified on September 2, 2015. The Listing Regulations have incorporated the principles for corporate governance in line with the Organization for Economic Co-operation and Development (OECD) principles and provide broad principles for periodic disclosures by listed entity in line with the International Organization of Securities Commissions (IOSCO) principles.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulation is given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

PHF Group believes that good corporate governance is key contributor to sustainable growth and creating enduring values and wealth for our stakeholders. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among Shareholders, customers, employees and ensuring a longterm relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company.

2. BOARD OF DIRECTORS:

a) Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2016, the Board of Directors of the Company had an optimum combination of Executive and Non-Executive Directors. The Company complies with the norms prescribed under Clause 49 of the Listing Agreement and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of for constitution of Board of Directors.

None of the Independent Directors has any other material pecuniary relationship or transaction with the Company, its Promoters, its Directors, its senior management, which would affect their independence.

Further, none of the Directors on the Board is a member of more than 10 Committees and Chairman in more than 5 Committees, across all companies in which they are director.

**b) Board Procedure:**

The agenda is prepared in consultation with the Chairman of the Board and the Chairman of the other committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meeting.

Matters discussed at Board Meeting generally relates to Company's performance, quarterly /half yearly results of the Company, review of the reports of the Internal Auditors, Audit Committee and compliances with their recommendations, suggestions, non compliance of any regulatory, statutory or listing requirements etc.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("the Act"). The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act.

The members of the Board have made the required disclosures to the Board regarding their direct or indirect concerns or interests in any contract or transaction with the Company.

c) Attendance at the Board Meetings and the last Annual General Meeting:

The Board Meeting dates are decided well in advance and communicated to Directors to enable them to plan for their schedule in order to attend the meetings.

During the year under review, the Board of Directors met 10 (Ten) times viz. April 30, 2015, May 30, 2015, July 25, 2015, August 08, 2015, September 26, 2015, October 31, 2015, November 21, 2015, December 12, 2015, January 30, 2016, March 26, 2016.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2015-2016 and at the last Annual General Meeting, their directorships in other companies and membership /chairmanship in committees are as follows:



Name	Category	Attendance at Board Meeting		Directorships in other Public Ltd Companies	Membership / Chairmanship of Committees* (including Company)		Attendance at A.G.M. held on 5th Sept., 2015
		Held	Attended	Director	Chairman	Member	
Subhash Chander Sikka	Chairman, Non-Executive & Independent Director	10	10	-	1	1	YES
Shiv Dyal Chugh	Managing Director, Executive & Non Independent	10	10	4	4	1	YES
Rohin Chugh	Director & Non Executive	10	10	1	1	1	YES
Chandan Chugh	Director & Non Executive	10	10	2	-	-	YES
J.S Makkar	Director & Non Executive	10	10	1	-	-	YES
G.S Gill	Director & Non Executive	10	5	-	-	-	YES
Jagdish Lal Gaba	Independent Director & Non Executive	10	8	-	-	-	YES
Neelam Kohli	Independent Director & Non Executive	10	10	-	1	1	YES

* Mr. Jagdish Lal Gaba has resigned from the post of Independent Director of the Company on January 06, 2016.

*Mr. G.S Gill resigned from the directorship of the Company on September 26, 2015. The Board places on record the appreciation of the guidance given by Mr. G.S Gill during their tenure as directors.

*Membership/Chairmanship of only the Audit Committee, Nomination & Remuneration Committee, Risk Management Committee and Investor Grievance Committee of all Public Limited Companies have been considered.



Information regarding Directors seeking Appointment/Re-appointment in ensuing Annual General Meeting:

Name of Director	ROHIN CHUGH
Designation	Director & Non Executive
Date of Appointment	31/07/2003
Expertise in NBFC Functional Areas	15 Years
Shareholding in PHF Leasing Limited	20000 Shares
Directorships held in other companies	PHF Hire Purchase Limited
Membership/Chairmanship of Committees of other Public Companies	-

Remuneration Paid to Directors

Sr. No.	Name of Director	Designation	Salary Per Annum
1.	Mr. Shiv Dyal Chugh	Managing Director	Rs. 10,80,000

3. AUDIT COMMITTEE :

As on 31st March, 2016, the Committee comprised of three Independent Directors having financial background and knowledge in the business of the Company.

The Audit Committee met Three times viz. May 30, 2015, August 08, 2015 and October 31, 2015 during the year under review and the number of meetings attended by each member during the year ended March 31, 2016 is as follows:

Name of Member	Designation	No of Meetings	
		Held	Attended
*Mr. Jagdish Lal Gaba	Chairman (Independent Director)	3	3
Ms. Neelam Kohli	Member (Independent Director)	3	3
*Mr. Subhash Chander Sikka	Member & Chairman (Independent Director)	3	3
*Mr. Shiv Dyal Chugh	Member	-	-



* Mr. Jagdish Lal Gaba has resigned from the post of Chairman of the Audit Committee on January 06, 2016. The Committee was re-constitution on dated 30 January 2016. Mr. Subash Chander Sikka was appointed as chairman and Mr. Shiv Dyal Chugh as member of the committee.

The terms of reference of this Committee are wide. Besides having access to all the required information from within the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. The brief descriptions of terms of references are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of Clause (c) of Sub-Section 3 & 5 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft Audit Report.
- Review with management quarterly/half yearly/yearly financial statements before submission to the Board for approval.
- Recommending the appointment/re-appointment/removal of Statutory Auditors, fixation of audit fees and also approval of payments for any other services.
- Reviewing with management, Statutory and Internal Auditor's adequacy of the internal control



- Discussing with Internal and Statutory Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.
- Compliance with the Stock Exchanges and legal requirements concerning financial statements.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/ or other Committees of Directors of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Broad terms of reference of the Remuneration Committee are to recommend the Company's policy on remuneration packages for the Managing Director/Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.

The Nomination and Remuneration Committee met One time viz. September 26, 2015 and during the year under review and the number of meetings attended by each member during the year ended 31st March, 2016 is as follows:

Name of Member	Designation	No of Meetings	
		Held	Attended
*Mr. Subhash Chander Sikka	Chairman & Member (Independent Director)	1	1
Mr. Rohin Chugh	Member (Non Executive Director)	1	1
*Mr. Jagdish Lal Gaba	Member (Independent Director)	1	1
*Ms. Neelam Kohli	Chairman (Independent Director)	-	-

* Mr. Jagdish Lal Gaba has resigned from the post of Member of the Committee on Jan. 06, 2016. The committee was re-constitution on dated 30 January 2016. Mr. Subash Chander Sikka was appointed as member and Ms. Neelam Kohli as Chairman of the committee.

5. INVESTOR GRIEVANCE COMMITTEE/STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the financial year 2015-16, no Investor Grievance Committee/Stakeholders Relationship Committee meeting was held.

No Investor Grievance/Stakeholders Complaints were received by the Company during the financial year 2015-16. Due to Non receipt of any Stakeholder Grievance/Complaint and Nil Complaint status there was no requirement of meeting of the Committee during the previous year.



The Investor Grievance Committee/Stakeholders Relationship Committee comprises as follows:

Name of Member	Designation
Mr. Rohin Chugh,	Chairman, (Non Executive Director)
Mr. Chandan Chugh,	Member, (Non Executive Director)
Mr. Subhash Chander Sikka,	Member, (Independent Director)

The Committee meets as and when required to deal with the matters relating to monitoring and redressal of complaints from Shareholders relating to transfer, non -receipt of Annual Report, etc.

The Committee is also empowered to consider and approve the physical transfers, transmissions, transposition, issue of duplicate certificates, consolidation / split / renewal of share certificates etc.

The Compliant Status during previous year was as follows:

At the beginning of the year	Received during the year	Resolved during the year	Pending
NIL	NIL	NIL	NIL

6. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings are given below

Financial Year	Date of AGM	Time	Location of Meeting	No. of Special Resolutions
2014-15	September 05, 2015	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	3
2013-14	July 25, 2014	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	7
2012-13	June 22, 2013	04:00 PM	Hotel Sekhon Grand, G. T. Road, Jalandhar	2

No Extra-Ordinary General Meeting was held during the Financial Year under review.



Details of Special Resolutions passed in last three Annual General Meetings:

1) During year 2014-15:

1. Special Resolution for Consider and approve Private Placement of Non-convertible Debenture.
2. Special Resolution for Consider and approve, the continuance as the Director of company of Mr. G. S. Gill under fit and proper criteria Guidelines of the RBI.
3. Special Resolution for Consider and approve the appointments of Independent Directors

2) During year 2013-14:

1. Special Resolution pursuant to Circular no. CIR/MRD/DSA/18/2014 dated May 22, 2014 issued by SEBI, for Listing of the Securities of the company with Bombay Stock Exchange.
2. Special Resolution for Consider and approve, the continuance as the Director of company of Mr. G. S. Gill under fit and proper criteria Guidelines of the RBI.
3. Special Resolution for adoption of new Articles of Association of the company containing regulations in conformity with the Companies Act 2013.
4. Special Resolution under section 180 (1) (a) and other applicable provisions of the Companies Act, 2013.
5. Special Resolution under section 180 (1) (c) and other applicable provisions of the Companies Act, 2013.
6. Special Resolution under section 149, 150, 152 and any other provisions of the companies Act, 2013 and rules mad there under, for appointment of Major Gurdial Singh Gill (DIN-02448066), Independent Director of the company.
7. Special Resolution under section 149, 150, 152 and any other provisions of the companies Act, 2013 and rules mad there under, for appointment of Mr. Subhash Chander Sikka (DIN-01871492), Independent Director of the company.

3) During year 2012-13:

1. Special Resolution to appoint M/s Dinesh Gupta & Co. under section 383A of Company Act 1956, for issuance of compliance certificate.
2. Special Resolution for Consider and approve, the continuance as the Director of company of Mr. G. S. Gill under fit and proper criteria Guidelines of the RBI.

None of the business proposed to be transacted in the ensuing Annual General Meeting require a special resolution passing through Postal Ballot.



7. DISCLOSURES:

RELATED PARTY TRANSACTIONS:

Related party transactions are defined as transactions of the Company of material nature had with promoters, directors or with their relatives etc.

The transactions with the related parties, as per the requirements of the Accounting Standard 18, are disclosed in Notes to Accounts, forming part of the Annual Report.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

8. MEANS OF COMMUNICATION:

The Company's quarterly/half-yearly/Annual results are published in news papers viz. Money Makers (English) and Veerpartap (Hindi Local) and are also notified to the Stock Exchange as required under Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to enable the Stock Exchange to upload on their website. Half yearly reports are not being sent to each household of Shareholders. These results are displayed on the Company's website: www.phfleasing.com under investor section.

9. GENERAL SHAREHOLDERS' INFORMATION

1) Annual General Meeting:

Date : September 17, 2016

Time : 04.00 P.M.

Venue : Kings Hotel, G.T Road, Jalandhar-144001

2) Financial Calendar:

April 01, 2015 to March 31, 2016

Adoption of Quarterly Results Ended	In the month of (tentative)
June 30, 2015	July 25, 2015
September 30, 2015	October 31, 2015
December 31, 2015	January 30, 2016
March 31, 2016	May 28, 2016



3) Date of Book Closure:

From Friday, September 16, 2016 to Saturday, September 17, 2016 (both days inclusive)

4) Listing on Stock Exchanges:

During the Financial Year 2015-16 your Company had received a letter from Bombay Stock Exchange (BSE) Limited dated December 07, 2015 for payment of listing fees of Rs. 25.00 Lakh or to withdraw the application in the form of information memorandum for listing of the equity shares of the company on Bombay Stock Exchange (BSE) under Direct Listing Norms. The Company decided to withdraw the application due to the huge increase in the Listing fees and to safeguard the financial assets to compensate the reduced profits. The Company has been moved to Dissemination Board of Bombay Stock Exchange (BSE) by the Existing stock exchanges.

5) Registrars and Share Transfer Agents:

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area

Phase - I, New Delhi - 110 020

Fax : 011-26812682

Email us at: admin@skylinerta.com or

Call us on Tel.: 011-26812682, 83, 011-64732681 to 88

6) Category wise distribution of Equity shareholding as at March 31, 2016 :

	Category	Number of Shares Held	Percentage of Shareholding (%)
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
a)	Individuals/ Hindu Undivided Family	2081910	69.68
b)	Central Government/ State Government(s)	0	0
c)	Bodies Corporate	54600	1.83
d)	Financial Institutions/ Banks	0	0
e)	Any Other (specify)Trust	0	0
	Sub-Total (A) (1)	2136510	71.51
(2)	Foreign		
a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0
b)	Bodies Corporate	0	0
c)	Institutions	0	0
d)	Any Other (specify)	0	0
	Sub-Total (A) (2)	0	0
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	2136510	71.51



(B)	Public shareholding		
(1)	Institutions		
a)	Mutual Funds	0	0
b)	Banks/Financial Institutions	0	0
c)	Central Government/ State Government	0	0
d)	Venture Capital Funds	0	0
e)	Insurance Companies	0	0
f)	Foreign Institution Investors	0	0
g)	Foreign Venture Capital Investors	0	0
h)	Any Other (Specify)	0	0
	Sub-Total (B)(1)	0	0
(2)	Non-institutions		
a)	Bodies Corporate	0	0
b)	Individuals -		
	i) Individual shareholders holding nominal share capital up to Rs.1 lakh.	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	0	0
c)	Non Resident Indians	0	0
c-i)	Public Trusts	0	0
c-ii)	Corporate Bodies-OCB	0	0
c-ii)	Intermediary/Other Depository A/C	0	0
c-iv)	Hindu Undivided Family	0	0
c-v)	Clearing member /House	0	0
c-vi)	Qualified Foreign Institution Investors-Individual	0	0
c-vii)	Qualified Foreign Institution Investors-Corporate	0	0
	Sub-Total (B)(2)	0	0
	Total Public Shareholding (B)= (B)(1) +(B)(2)	0	0
	TOTAL (A)+(B)	0	0
(C)	Other than promoters	851290	28.49
(D)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	2987800	100.00



7) Distribution of shareholding as on March 31, 2016:

Shares			Number of Shareholders	% of Total Number of Shareholders	Total Number of Shares	% of Total No. of Shares
Form	To					
1	to	500	280	52.73	106770	3.57
501	to	1000	150	28.25	141000	4.72
1001	to	2000	45	8.48	65300	2.19
2001	to	3000	11	2.07	29800	1.00
3001	to	4000	5	0.94	19220	0.64
4001	to	5000	9	1.69	44500	1.49
5001	to	10000	10	1.88	71700	2.40
10001	&	Above	21	3.96	2509510	83.99
Total			531	100.00	2987800	100.00

* The total number of Shareholders, i.e., 531 also includes the Shareholders with more than 1 Folio / Client ID.

8) Disclosure of accounting treatment:

In the preparation of the financial statement the Company has followed Accounting Standards issued by Institute of the Chartered Accountants of India to the extent applicable.

9) Disclosure of Risk management:

The Company has initiated the risk assessment and minimization procedure.

10) Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity:

Your Company has not issued any ADRs, GDRs, warrants or any convertible instruments during the financial year ended March 31, 2016.

11) Address for Investor's Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non- receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

Mr. Vijay Sharma

Deputy Manager Deposits

PHF Leasing Limited

Regd. & Corp. Office:

923, G.T. Road, Jalandhar-144001

Ph: 0181-4639903-08

Email: phf_leasingltd@yahoo.co.in



Declaration of Compliance with Code of Conduct by Managing Director (MD)

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Shiv Dyal Chugh, Managing Director of the Company hereby certify that all Board of Directors of the Company and the Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by Board of Directors and Senior Management the of the company for the financial year ended March 31, 2016.

For and on behalf of the Board

For PHF Leasing Limited

Sd/-

Shiv Dyal Chugh
Managing Director
DIN: 00993747

Place: Jalandhar

Date: May 28, 2016

**CERTIFICATION BY MANAGING DIRECTOR FOR FINANCIAL YEAR 2015-16**

To
The Board of Directors
PHF Leasing Limited
923, G.T. Road,
Jalandhar-144001,
Punjab, India

I, the undersigned, in my respective capacities as Managing Director of PHF Leasing Limited ("the Company") to the best of our knowledge and belief certify that:

- A. I have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee:
- (1) There has been no significant changes in internal control over financial reporting during the year;
 - (2) There has been no significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
 - (3) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board
For PHF Leasing Limited

Sd/-
Shiv Dyal Chugh
Managing Director
DIN: 00993747

Place: Jalandhar
Date: May 28, 2016



Dinesh Gupta
B.Com, LLB, FCS

DINESH GUPTA & COMPANY
COMPANY SECRETARIES
Raj Chambers, Hind Samachar Street,
Jalandhar City 144001 (Punjab) India
Tel: 0181- 5010014
Mobile: +91-9815164949
E Mail: dineshgupta.cs@gmail.com

The Members
PHF Leasing Limited, Jalandhar

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PHF Leasing Limited.

1. The maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
FCS 3462; C. P. No.: 1947
Place: Jalandhar
Dated: July 13, 2016



Dinesh Gupta
B.Com, LLB, FCS

DINESH GUPTA & COMPANY
COMPANY SECRETARIES

Raj Chambers, Hind Samachar Street,
Jalandhar City 144001 (Punjab) India
Tel: 0181- 5010014
Mobile: +91-9815164949
E Mail: dineshgupta.cs@gmail.com

To
The members of
PHF Leasing Limited
923, G. T. Road, Jalandhar

I have examined the compliance of conditions of Corporate Governance by PHF Leasing Limited, as per the Clause 49 of the Listing Agreement ('Listing Agreement') and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) as stipulated in Regulation 15(2) of the Listing Regulations, for the financial year ended on March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion, and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement /Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dinesh Gupta & Co.
Companies Secretaries

Sd/-
Dinesh Gupta
Partner
M. No. F3462 C. P. No. 1947

Place: Jalandhar
Date: July 13, 2016



Dinesh Gupta
B.Com, LLB, FCS

DINESH GUPTA & COMPANY
COMPANY SECRETARIES
Raj Chambers, Hind Samachar Street,
Jalandhar City 144001 (Punjab) India
Tel: 0181- 5010014
Mobile: +91-9815164949
E Mail: dineshgupta.cs@gmail.com

(Form MR-3)
SECRETARIAL AUDIT REPORT

The Members,
PHF Leasing Limited
Jalandhar

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PHF Leasing Limited (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the PHF Leasing Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



(v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;

The following regulations and Guidelines of SEBI are not applicable to the company as no such event took place in the Company:

- a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

(vi) Reserve Bank of India Act, 1934 and directions, regulations and circulars issued therein relating to Non Banking Finance Companies.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not in force as on the date of this report and;

During the period under review and as per the representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions of the Board Meetings, as represented by the management, were taken unanimously.

The Company is currently under Dissemination Board of Bombay Stock Exchange (BSE) after the exit orders have been passed for Ludhiana Stock Exchange & Delhi Stock Exchange.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Dinesh Gupta & Co.**
Company Secretaries

Sd/-
(Dinesh Gupta)
FCS No: 3462
C. P. No.: 1947

Place: Jalandhar
Dated: July 13, 2016



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
 (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L65110PB1992PLC012488
2	Registration Date	20th July 1992
3	Name of the Company	PHF LEASING LTD.
4	Category/Sub-category of the Company	Public Limited Company
5	Address of the Registered office & contact details	923, G.T. Road, Jalandhar-144001, Punjab.
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D -153 A, 1st Floor, Okhala Industrial Area, Phase -1, New Delhi- 110220 Tel.No. +91 11 26812682, 26812683

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Financing	64990	77.79%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	"% of shares held"	"Applicable Section"
1.	N.A	N.A	N.A	N.A	N.A



IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	"No. of Shares held at the beginning of the year [As on 31-March-2015]"				"No. of Shares held at the end of the year [As on 31-March-2016]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	2,040,510	2,040,510	68.29%	-	2,081,910	2,081,910	69.68%	2.03%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	54,600	54,600	1.83%	-	54,600	54,600	1.83%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	2,095,110	2,095,110	70.12%	-	2,136,510	2,136,510	71.51%	1.98%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	2,095,110	2,095,110	70.12%	-	2,136,510	2,136,510	71.51%	1.98%



B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholder holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Hindu undivided family	-	-	-	0.08%	-	-	-	0.10%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Other than Promoters	2,500	890,190	892,690	29.88%	-	851,290	851,290	28.49%	-4.64%
Grand Total (A+B+C)	2500	2,985,300	2,987,800	100.00%	-	2,987,800	2,987,800	100.00%	0.00%



(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Jatinder Singh Makkar	10,000	0.33%	0	10,000	0.33%	0.00%	
2	Chandan Chugh	20,000	0.67%	0	20,000	0.67%	0.00%	
3	Rohin Chugh	20,000	0.67%	0	20,000	0.67%	0.00%	
4	Jyotsna	50,000	1.67%	0	50,000	1.67%	0.00%	
5	Shiv Dyal Chugh	76,960	2.58%	0	76,960	2.58%	0.00%	
6	Guridal Singh Gill	55,800	1.87%	0	55,800	1.87%	0.00%	
7	Seth Ram Chand S D Chugh (HUF)	566,730	18.97%	0	566,730	18.97%	0.00%	
8	Shiv Dyal Chugh	1,211,020	40.53%	0	1,252,420	41.92%	3.42%	
9	Haripal Singh Gill	30,000	1.00%	0	30,000	1.00%	0.00%	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	JATINDER SINGH MAKKAR						
	At the beginning of the year	3/31/2015		10,000	0.33%	10,000	0.33%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		10,000	0.33%	10,000	0.33%

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
2	CHANDAN CHUGH						
	At the beginning of the year	3/31/2015		20,000	0.67%	20,000	0.67%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		20,000	0.67%	20,000	0.67%



Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	ROHIN CHUGH						
	At the beginning of the year	3/31/2015		20,000	0.67%	20,000	0.67%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		20,000	0.67%	20,000	0.67%
4	JYOTSNA						
	At the beginning of the year	3/31/2015		50,000	1.67%	50,000	1.67%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		50,000	1.67%	50,000	1.67%
5	SHIV DYAL CHUGH						
	At the beginning of the year	3/31/2015		76,960	2.58%	76,960	2.58%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		76,960	2.58%	76,960	2.58%
6	GURDIAL SINGH GILL						
	At the beginning of the year	3/31/2015		55,800	1.87%	55,800	1.87%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		55,800	1.87%	55,800	1.87%



Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
7	SETH RAM CHAND S D CHUGH (HUF)						
	At the beginning of the year	3/31/2015		566,730	18.97%	566,730	18.97%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		566,730	18.97%	566,730	18.97%

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
8	HARIPAL SINGH GILL						
	At the beginning of the year	3/31/2015		30,000	1.00%	30,000	1.00%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		30,000	1.00%	30,000	1.00%

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
9	SHIV DYAL CHUGH						
	At the beginning of the year	3/31/2015		1,211,020	40.53%	1,211,020	40.53%
	Changes during the year	8/8/2015	Transfer	41,400	1.39%	1,252,420	41.92%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2016		1,252,420	41.92%	1,252,420	41.92%



(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SHANKUTLA DEVI						
	At the beginning of the year	3/31/2015		-	0.00%	-	0.00%
	Changes during the year	3/26/2016		70,000	2.34%	70,000	2.34%
	At the end of the year	3/31/2016		70,000	2.34%	70,000	2.34%
2	CHAMAN LAL						
	At the beginning of the year	3/31/2015		50,000	1.67%	50,000	1.67%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		50,000	1.67%	50,000	1.67%
3	SUMAN						
	At the beginning of the year	3/31/2015		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		40,000	1.34%	40,000	1.34%
4	KARAN SHARMA						
	At the beginning of the year	3/31/2015		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		40,000	1.34%	40,000	1.34%
5	JASPAL SINGH						
	At the beginning of the year	3/31/2015		32,000	1.07%	32,000	1.07%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		32,000	1.07%	32,000	1.07%
6	NITIKA						
	At the beginning of the year	3/31/2015		30,000	1.00%	30,000	1.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		30,000	1.00%	30,000	1.00%
7	SHIVALI BANSAL						
	At the beginning of the year	3/31/2015		27,600	0.92%	27,600	0.92%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		27,600	0.92%	27,600	0.92%



8	HARLEEN BANSAL						
	At the beginning of the year	3/31/2015		14,700	0.49%	14,700	0.49%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		14,700	0.49%	14,700	0.49%
9	RAVDEEP BANSAL						
	At the beginning of the year	3/31/2015		14,700	0.49%	14,700	0.49%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		14,700	0.49%	14,700	0.49%
10	SHIVOLI						
	At the beginning of the year	3/31/2015		11,000	0.37%	11,000	0.37%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2016		11,000	0.37%	11,000	0.37%

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SHIV DYAL CHUGH						
	At the beginning of the year	3/31/2015		1,211,020	40.53%	1,211,020	40.53%
	Changes during the year	8/8/2015	Transfer	41,400	1.39%	1,252,420	41.92%
	At the end of the year	3/31/2016		1,252,420	41.92%	1,252,420	41.92%



V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				(Amt. Rs./Lacs)
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	58,189,545.00	-	78,252,665.00	136,442,210.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,589,769.00	-	3,567,524.00	10,157,293.00
Total (i+ii+iii)	64,779,314.00	-	81,820,189.00	146,599,503.00
Change in Indebtedness during the financial year				
* Addition	-	-	2,656,350.00	2,656,350.00
* Reduction	16,627,788.00	-	9,081,073.00	25,708,861.00
Net Change	16,627,788.00	-	6,424,723.00	28,365,211.00
Indebtedness at the end of the financial year				
i) Principal Amount	39,093,224.00	-	71,134,899.00	110,228,123.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,058,302.00	-	4,260,567.00	13,318,869.00
Total (i+ii+iii)	48,151,526.00	-	75,395,466.00	123,546,992.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Sh. Shiv Dyal Chugh		(Rs./Lac)
	Designation	Managing Director		
1	Gross salary	1080000.00		1080000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00		0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00		0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	- as % of profit	-		-
	- others, specify	-		-
5	Others, Interest on FDR	100950.00		100950.00
	Total (A)	1180950.00		1180950.00
	Ceiling as per the Act	Rs. 60 Lakhs		Rs. 60 Lakhs



B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs./Lac)
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personal			Total Amount (Rs./Lac)
		CEO	CFO	CS	
	Name				
	Designation				
1	Gross salary	-	-	-	-
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
B. DIRECTORS					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-

**AUDITOR'S REPORT**

To
The Members
PHF LEASING LIMITED, JALANDHAR

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of M/s PHF Leasing Limited. (the company), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the other Legal and Regulatory Requirements

1. 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts pending which were required to be transferred to the Investor Education and Protection Fund by the Company.

“Annexure A” to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The management at reasonable intervals has physically verified the fixed assets and no material discrepancies were noticed on such physical verification.
 - c) The title deeds of immovable properties are held in the name of the company.
- ii. The Company is a Non Banking Financial company engaged in loans and advances. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans and has not made any investment covered under the provisions of section 185 and 186 of the Companies Act, 2013.
- v. On the examination of records produced before us, the Company has complied with the rules and regulations of Reserve Bank of India with regard to acceptance of deposits from the public during the year under audit.
- vi. The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii.
 - a) In our opinion and according to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax, provident fund, employees' state insurance, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amount payable in respect of Income tax, provident fund, employees' state insurance, service tax, cess and other material statutory which are in arrears as on 31/03/2016 for a period of more than six months from the date they became payable.



- b) According to the information and explanation given to us, there are no dues of income tax, service tax, outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not been defaulted in repayment of dues to banks and Debenture holders.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties during the year under audit are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with during the year under report. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. The company has been registered as Non Banking Financial Companies (Deposit accepting Company) with Reserve Bank of India, Chandigarh vide registration No.A-06.00124 dated 15th May 1998.

**FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N**

Sd/-
**J.R. GUPTA
PARTNER
M.NO. 011910**

Place : Jalandhar City
Dated : May 28, 2016



BALANCE SHEET AS AT 31ST MARCH, 2016

(Figure in Rs.)

Particulars		Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1.		2.	3.	4.
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share Capital	2	29878000	29878000
(b)	Reserve and Surplus	3	20651199	20230945
2	Non-current liabilities			
(a)	Long Term Borrowings	4	53177155	57893006
(b)	Deferred tax liabilities (Net)		0	0
(c)	Long Term Provisions	5	420135	410205
3	Current liabilities			
(a)	Short Term Borrowings	6	18256243	51121838
(b)	Other Current Liabilities	7	61687081	43474103
(c)	Short Term Provisions	8	242000	5643550
	TOTAL		184311813	208651647
II.	ASSETS			
	Non-current assets			
1	(a) Fixed Assets			
	Tangible assets	9	13364985	13942732
	Non Current Investments	10	7200482	7200482
	Deferred tax Asset (Net)		1975	69250
	Long Term Loans and Advances	11	30911749	40773655
	Other Non Current Assets	12	666411	1177430
2	Current assets			
(a)	Cash and Cash Equivalents	13	15487244	13730209
(b)	Short Term Loans and Advances	14	113361981	127531318
(c)	Other Current Assets	15	3316986	4226571
	TOTAL		184311813	208651647

Significant Accounting Policies and Notes to Accounts 1 to 22

Schedule as per RBI Requirement 23

For and on behalf of the Board of Directors

PHF LEASING LIMITED

As per our report of even date
FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

Sd/-
J.R. GUPTA
PARTNER
M.NO. 011910
Place : Jalandhar
Date : May 28, 2016

Sd/-
Shubhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director



CASH FLOW STATEMENT

Particulars	As at 31 March 2016		As at 31 March 2015	
A. Cash Flow from operating Activities				
Profit before Tax	992845		7533798	
Add.: Financial Expenses	16831872	17824717	17877804	25411602
Add.: Depreciation	739010		1047035	
Add.: Income Tax of earlier years	0		0	
Add.: Loss on sale of Assets	0		0	
Add.: Provision for Non-Performing Assets	178378		447146	
Add.: Provision for Standard Assets	9930	927318	2305	1496486
Less:				
Dividend Received	-16379		-9307	
Interest Received on Government Securities	-979530		-982149	
Tax Paid	-1065956	-2061865	-2823908	-3815364
Operating Profit before Working Capital Charges		16690170		23092724
Working Capital Changes				
Increase/Decrease in Long Term Advances	9683528		4545365	
Increase/Decrease in Non-Current Assets	565753		3270796	
Increase/Decrease in Short term loans & Advances	14169337		-8424988	
Increase/Decrease in other current assets	-511804		63578	
Increase/Decrease in other current Liabilities	15198249	39105063	-541690	-1086939
		55795233		22005785
Less: Financial Expenses		-14074503		-16169820
Cash Flow from Operating Activities		41720730		5835965
B. Cash from Investing Activities				
Purchase of Fixed Assets	-141708		-406803	
Decrease/Increase in Investments	0		1200000	
Dividend & Interest received	995909		991456	
Sale of Fixed Assets	0		0	
Cash flow from Investing activities		854201		1784653
C. Cash Flow from Financing Activities				
Increase/Decrease in Long Term Borrowings	-4715851		-11872201	
Increase/Decrease in Short Term Borrowings	-32865595		8330648	
Dividend & Dividend Tax paid	-3236450		-3146020	
Cash Flow from Financing Activities		-40817896		-6687573
Net Increase/(decrease) in Cash/Cash Equivalents (A+B+C)		1757035		933045
Cash & Cash Equivalents at the beginning of the year		13730209		12797164
Cash & Cash Equivalents at the end of the year		15487244		13730209

As per our remarks at the foot of Balance Sheet
FOR DASS & COMPANY
 CHARTERED ACCOUNTANTS
 FRN 000200N

Sd/-
J.R. GUPTA
 PARTNER
 M.NO. 011910
 Place : Jalandhar
 Date : May 28, 2016

For and on behalf of the Board of Directors
PHF LEASING LIMITED

Sd/-
Shubhash Chander Sikka
 Chairman

Sd/-
Shiv Dyal Chugh
 Managing Director



PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Figure in RS)

Particulars		Refer Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1.		2.	3.	4.
I.	Revenue from Operations			
	Interest & other financial services	16	37508358	41636962
II.	Other Income	17	465427	556500
	Total Income		37973785	42193462
III.	Expenses:			
i.	Employee benefits expense	18	8610353	7987057
ii.	Finance costs	19	16831872	17877804
iii.	Depreciation and amortization expense	9	739010	1047035
iv.	Other expenses	20	9902384	9619514
v.	Provision & Write off	21	897321	1013091
	Total Expenses		36980940	37544501
IV.	Profit before exceptional and extraordinary items and tax		992845	4648961
V.	Exceptional items		0	0
	Interest on Income Tax Refund		0	2884837
VI.	Profit before extraordinary items and tax		992845	7533798
VII.	Extraordinary Items		0	0
VIII.	Profit before tax		992845	7533798
IX.	Tax expense:			
	(1) Current tax		(242000)	(2407100)
	(2) Income tax adjustment of previous years		(263316)	(326776)
	(3) Deferred tax		(67275)	161460
X.	Profit (Loss) for the period from continuing operations		420254	4961382
XI.	Profit (Loss) for the period		420254	4961382
XII.	Earnings per equity share:			
	(1) Basic		0.14	1.66
	(2) Diluted		0.14	1.66

As per our report of even date
FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

For and on behalf of the Board of Directors
PHF LEASING LIMITED

Sd/-
J.R. GUPTA
PARTNER
M.NO. 011910

Place : Jalandhar
Date : May 28, 2016

Sd/-
Shubhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director

**NOTE--1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****As on 31st March 2016****1. SIGNIFICANT ACCOUNTING POLICIES****1.1. BASIS OF ACCOUNTING :-**

The company prepares its Financial Statement under historical cost convention on accrual basis of Accounting in accordance with requirements of Companies Act, 2013, the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and Directions issued by Reserve Bank of India from time to time applicable to Non-Banking Financial Companies.

1.2. FIXED ASSETS :-

Fixed Assets are carried at cost less accumulated depreciation,

1.3. DEPRECIATION :-

Depreciation on Fixed Assets has been provided, at pro-rata basis, on The Straight Line Method at the rates prescribed under Schedule II of the Companies Act, 2013.

1.4. STOCK ON HYPOTHECATION :-

The stock under Hypothecation is stated at agreed value less amount received from Hirer/Borrower.

1.5. VALUATION OF INVESTMENTS :-

Investments are valued at cost in accordance with the Para -6 of NBFCs Prudential Norms (RB) directions, 2007 of Reserve Bank of India and also in accordance with the accounting standard on investments (AS-13) issued by ICAI.

1.6. REVENUE RECOGNITION :-

- (i) Hypothecation Charges have been accounted for on reducing balance method.
- (ii) Income from money Transfer/Foreign Exchange income has been accounted on accrual basis.
- (iii) Overdue Income is accounted for as and when it is recovered.
- (iv) Income on NPA assets is recognized as and when realized as recommended in para 3 of NBFCs Prudential Norms (RB) directions, 2007 of Reserve Bank of India.
- (v) Dividend Income is recognized on declaration/receipt of dividend.
- (vi) Income from Bad debts recovered is recognized as and when realized.

1.7. PROVISIONS FOR NON PERFORMING ASSETS :-

Provision for non performing Assets is made in accordance with the Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

1.8. PROVISIONS FOR STANDARD ASSETS:-

Provision for Standard Assets has been made @ 0.30% of the Standard Assets as prescribed in RBI circular No. DNBS.PD.CC.No.002/03.10.001/2014-15 dated 10th Nov. 2014

1.9. EMPLOEES BENEFITS:-

- (i) The company has taken cover under Group Gratuity Scheme with Life Insurance Corporation of India for its liability of the payment on account of gratuity. The annual contribution made to Group Gratuity Scheme by the company is charged to revenue.
- (ii) Leave Salary is paid during the year on accrual basis.



NOTE NO. 2 - SHARE CAPITAL

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs.10/- each	4500000	45000000	4500000	45000000
Issued Equity Shares of Rs.10/- each	3002300	30023000	3002300	30023000
Subscribed & fully Paid up Equity Shares of Rs.10/- each	2987800	29878000	2987800	29878000
TOTAL	2987800	29878000	2987800	29878000

(a) Reconciliation of number of shares

Particulars	Equity Shares			
	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2987800	29878000	2987800	29878000
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Any other movement (forfeited)	0	0	0	0
Shares outstanding at the end of the year	2987800	29878000	2987800	29878000

(b) Rights, preferences and restrictions attached to shares

Equity Shares : The company has one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	Equity Shares			
	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Shiv Dyal Chugh	1329380	44.49	1287980	43.11
2. Seth Ram Chand S.D.Chugh (HUF)	566730	18.97	566730	18.97



NOTE NO. 3 - RESERVE AND SURPLUS

Particulars	As at 31 March 2016	As at 31 March 2015
a. General Reserve		
Opening Balance	2900000	2500000
(+) Current Year Transfer	0	400000
(-) Written Back in Current Year	0	0
Closing Balance	2900000	2900000
b. Statutory Reserve Fund		
Opening Balance	11192300	10192300
(+) Current Year Transfer	84100	1000000
(-) Written Back in Current Year	-	-
Closing Balance	11276400	11192300
c. Other Reserves (Share Forfeited reserve)		
Opening Balance	38425	38425
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	38425	38425
d. Surplus in statement of Profit and Loss		
Opening balance	6100220	6033820
(+) Net Profit/(Net Loss) For the current year	420254	4961382
(-) Proposed Dividends	0	2689020
(-) Proposed Dividends Tax	0	547430
(-) Amount of Depreciation on fixed Assets whose useful life as on April 01, 2014 is NIL as per Companies act 2013	0	258532
(-) Transfer to Statutory Reserves	84100	1000000
(-) Transfer to General Reserves	0	400000
Closing Balance	6436374	6100220
TOTAL	20651199	20230945

NOTE NO. 4 - LONG TERM BORROWINGS

Particulars	As at 31 March 2016	As at 31 March 2015
Secured Debentures		
Secured against movable properties in the form of floating charge excluding investments purchased. The purpose of statutory liquidity requirements subject to prior charge created in favour of company's banker on the HP/HYP. of documents of the company. TERMS OF REPAYMENT (as per annexure 'A' attached below)	17500000	37351000
	17500000	37351000
Unsecured Deposits		
(i) Fixed Deposits (Director & Relatives)	8490057	254703
(ii) Fixed Deposits (Others)	27187098	20287303
NOTE : The Company registered with RBI, India as a deposit accepting non-banking financial company. The Company has accepted the deposit as per RBI guidelines and its repayment is also governed by the directives issued by the RBI and as per terms of deposit receipts.		
	35677155	20542006
TOTAL	53177155	57893006

**NOTE NO. 5 - LONG TERM PROVISIONS**

Particulars	As at 31 March 2016	As at 31 March 2015
(I) Provisions		
Contingent Provision for Standard Assets	420135	410205
TOTAL	420135	410205

NOTE NO. 6 - SHORT TERM BORROWINGS

Particulars	As at 31 March 2016	As at 31 March 2015
Secured		
(A) WORKING CAPITAL LOAN		
FROM BANKS	4055224	17290545
SECURED AGAINST HP/HYP DOCUMENTS, PROMISSORY NOTES AND EQUITABLE MORTGAGE OF RESIDENTIAL HOUSE OF DIRECTORS AT CHUGH COTTAGE, URBAN ESTATE PH-1, JALANDHAR		
	4055224	17290545
(i) Fixed Deposits (Director & Relatives)	2154124	8418832
(ii) Fixed Deposits (Others)	12046895	25412461
NOTE : The Company registered with RBI, India as a deposit accepting non-banking financial company. The Company has accepted the deposit as per RBI guidelines and its repayment is also governed by the directives issued by the RBI and as per terms of deposit receipts.		
	14201019	33831293
TOTAL	18256243	51121838

NOTE NO. 7 - OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Current maturities of debentures	17288000	3548000
(b) Interest accrued and due on debentures	8911455	6589769
(c) Current maturities of deposits	21256725	23879366
(d) Income accrued and due on deposits	4260567	3567524
(e) Unpaid matured deposits and interest accrued thereon	0	0
(f) Unpaid matured debentures and interest accrued thereon	396847	0
(g) Unpaid dividend (Refer note (a) below)	21728	6770
(h) Other payables :-		
Audit Fees	52000	51180
Salary	452527	409823
Leave Encashment	329758	320043
Bonus	325400	326700
E.S.I. Contribution	21693	24595
EPF/FP Contribution	143289	84394
Sundry Creditors	893318	1400261
Cheque Issued but not yet debited	7155595	3143745
Legal Expenses	42100	36854
Tax deducted at source	131017	85079
Service Tax	5062	0
TOTAL	61687081	43474103

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.



NOTE NO. 8 - SHORT TERM PROVISIONS

Particulars	As at 31 March 2016	As at 31 March 2015
(I) Provisions		
Provision for Dividend	0	2689020
Provision for Dividend Tax	0	547430
Provision for Income Tax	242000	2407100
TOTAL	242000	5643550

NOTE NO. 10 - NON CURRENT INVESTMENTS

Particulars	As at 31 March 2016	As at 31 March 2015
OTHER (VALUE AT COST)		
(A) Investments in Government or Trust securities		
i) 7.46% GOI Securities 2017	294300	294300
ii) 6.01% GOI Securities 2028	602100	602100
iii) 6.30% GOI Securities 2023	879159	879159
iv) 5.69% GOI Securities 2018	1585383	1585383
v) 7.59% GOI Securities 2018	1941000	1941000
vi) 6.05% GOI Securities 2019	353200	353200
vii) 5.69% GOI Securities 2018	359200	359200
(B) Investment in Equity instruments -		
i) Capital Local Area Bank Ltd.	186140	186140
(C) Investments in debentures or bonds		
i) 8.81% TNEB Bonds Series 3/2008-09	1000000	1000000
TOTAL	7200482	7200482
Less : Provision for diminution in the value of Investments	0	0
TOTAL	7200482	7200482

Non Current Investments	As at 31 March 2016	As at 31 March 2015
Aggregate amount of quoted investments	6014342	6014342
Aggregate amount of unquoted investments	1186140	1186140



NOTE NO. 9 : FIXED ASSETS

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block			
	Balance as at 1 April 2015	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 Mar. 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment as per Companies Act 2013	On disposals	Balance as at 31st Mar. 2016	Balance as at 1 April 2015	Balance as at 31 Mar. 2016
a) Tangible Assets (Not Under Lease)											
Land	3287094	0	0.00	3287094	0	0	0.00	0.00	0	3287094	3287094
Building	7764952	0	0.00	7764952	253632	123149	0.00	0.00	376781	7511320	7388171
Furniture and Fixtures	2886485	64158	0.00	2950643	2140331	118306	0.00	0.00	2258637	746154	692006
Vehicles	1350006	0	0.00	1350006	441945	168549	0.00	0.00	610494	908061	739512
Computers	1389209	24350	0.00	1423114	1081387	102969	0.00	0.00	1184356	307822	238758
Electrical Equipment	627920	0	0.00	627920	260116	53739	0.00	0.00	313855	367804	314065
Office Equipment	2797994	53200	0.00	2861194	1983517	172298	0.00	0.00	2155815	814477	705379
Total (i)	20103660	141708	0.00	20264923	6160928	739010	0.00	0.00	6899938	13942732	13364985

As Per Our Report Of Even Date

FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

Sd/-
J.R. GUPTA
PARTNER
M.NO. 011910

Place : Jalandhar
Date : May 28, 2016

For and on behalf of the Board of Directors
PHF LEASING LIMITED

Sd/-
Shubhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director



NOTE NO. 11 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016		As at 31 March 2015	
A. Loans and Advances				
1) Capital Advances	50000		681800	
2) Security Deposits	50000		58000	
3) Loans & advances to related parties	0.00	100000	0.00	739800
4) Other Loans & Advances				
a) Loan against Hire Purchase/Hyp.				
(i) Secured Considered good	26581877		35831421	
(ii) Unsecured Considered good	0		0	
(iii) Doubtful	5496723	32078600	5290907	41122328
Less: Provision for doubtful loans and advances		1266851		1088473
Total		30911749		40773655

NOTE NO. 12 - OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2016		As at 31 March 2015	
Income Tax (Refundable) (A.Y.2015-16)		72278		533905
Fringe Benefit Tax (A.Y.2009-10)	0		28500	
Fringe Benefit Tax (A.Y.2010-11)	0	0	20892	49392
Interest Accrued on MPSEB Bonds		594133		594133
TOTAL		666411		1177430

NOTE NO. 13 - CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2016		As at 31 March 2015	
a. Balances with banks in current accounts		6626147		4090829
b. IDBI unpaid dividend A/c - 2010-11		1260		1260
c. IDBI unpaid dividend A/c - 2011-12		1280		1280
d. IDBI unpaid dividend A/c - 2012-13		1890		1890
e. IDBI unpaid dividend A/c - 2013-14		2340		2340
f. IDBI unpaid dividend A/c - 2014-15		14958		0
g. Cheques, drafts on hand		2832620		1519827
h. Cash on hand		2088620		4194654
i. FDRs (more than 12 months)		3918129		3918129
TOTAL		15487244		13730209



NOTE NO. 14 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016		As at 31 March 2015	
a. Loans and Advances				
a) Loan against Hire Purchase/Hyp. secured considered good		112291242		126200956
b. Others (Specify Nature)				
Advances -- Unsecured considered good	827913		1078637	
Staff Advance	212826		151725	
Loan Against FDR's -- Secured	30000	1070739	100000	1330362
TOTAL		113361981		127531318

NOTE NO. 15 - OTHER CURRENT ASSETS

Particulars	As at 31 March 2016		As at 31 March 2015	
Others (Specify Nature)				
Commission Receivable	1736		2850	
Money Transfer Fund	10337		0	
Prepaid Expenses	170184		179934	
Stationery Stock	22170		17439	
Advance Income Tax (Net of Provision)	1057989		2479378	
Interest Accrued on Bank FDR's	1819203		1392678	
Interest Accrued on Bonds & GOI Securities	235367	3316986	154292	4226571
TOTAL		3316986		4226571

The Final dividend for the year as follows :-

Particulars	Total	Per Share
Dividends proposed to be distributed to equity shareholders	0	0.00



NOTE NO. 16- INCOME

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
REVENUE FROM OPERATIONS:		
Hypothecation Charges and Settlement charges	36424531	40258036
Interest on SLR Securities	505612	511642
Interest on Bank FDR's	473918	470507
Interest Earned (Others)	37788	272632
(A)	37441849	41512817
Other Financial Services		
Commission from money transfer	16142	24763
Foreign Exchange Income	50367	99382
(B)	66509	124145
TOTAL (A+B)	37508358	41636962

NOTE NO. 17 - OTHER INCOME

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Other Income:		
Dividend	16379	9307
Interest Deduction on Pre-matures Deposit	60736	62808
Bad Debts Recovered	326350	465285
Misc. Income	1300	19100
Interest on refund of Income Tax	60662	0
TOTAL	465427	556500

NOTE NO. 18 - EMPLOYEE EXPENSES

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a) Salaries and incentives	7260524	6893114
(b) Contributions to -		
(i) Provident Fund, ESI Fund, Group Insurance	772235	725313
(c) Gratuity fund contributions	308018	149458
(d) Staff welfare expenses	221344	219172
(d) Medical Reimbursement	48232	0
TOTAL	8610353	7987057



NOTE NO. 19 - FINANCE COSTS

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest Expenses on Fixed Deposit	9010182	8536269
Interest Expenses on Debentures	5611422	6324527
Bank Interest & Charges	2210268	2835415
Other Borrowing Cost	0	181593
TOTAL	16831872	17877804

NOTE NO. 20 - OTHER EXPENSES

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Advertisements	107176	381638
AGM Expenses	124988	134406
Annual Maintenance Cost	4995	0
Car Expenses	197384	180191
Commission & Brokerage	0	700
Credit Rating Expenses	57000	0
Donation	11000	0
Electricity & Water Charges	475652	507417
Entertainment	69890	47642
Festival Expenses	124811	149860
General Expenses	226273	308078
Insurance Premium	234708	219414
Legal & Professional Charges	481939	811635
Listing Fees	0	5618
Loss on Sale of Repossessed Vehicles	2137605	1369537
Membership & Subscription Fees	21133	35625
Newspapers & Magazines	12815	10590
Payment to Auditors	57000	56180
Postage Expenses	25600	43938
Printing and Stationery	307578	340316
Rate and Taxes	74915	78924
Recovery and Collection Charges	3250099	3115503
Rent Account	602033	563928
Repair & Maintenance		
-Building Repair	80500	119538
-Other Repair	331895	398329
Rebate & Discount	162098	106530
Round off	0	2
Software Development Expenses	135000	0
Scooter/Motor cycle Expenses	41984	43674
Service Tax Paid	0	27810
Telephone & Mobile Exp.	439378	483099
Tour & Traveling	106935	79392
TOTAL	9902384	9619514



NOTE NO. 21 - PROVISION AND WRITE OFF

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Bad Debt Written off	709013	563640
Provision for Non Performing Assets	178378	447146
Provision for Standard Assets	9930	2305
TOTAL	897321	1013091

Disclosure pursuant to Note no. 5(i)(j) of Part II of Schedule VI to the Companies Act, 1956

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A. AUDITOR		
i. for audit fees	57000	56180
ii. for company law matters		
iii. for management services		
iv. for taxation matter		
v. for reimbursement of expenses		
TOTAL	57000	56180

As Per Our Report Of Even Date

FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

Sd/-

J.R. GUPTA
PARTNER
M.NO. 011910

Place : Jalandhar

Date : May 28, 2016

For and on behalf of the Board of Directors

PHF LEASING LIMITED

Sd/-

Shubhash Chander Sikka

Chairman

Sd/-

Shiv Dyal Chugh

Managing Director



Note No. - 22

B. NOTES TO ACCOUNTS

2.1. STATUTORY RESERVE:

During the year, a sum of Rs 84,100/--being 20% of the Profit after tax has been transferred to Statutory Reserve in accordance with section 451C of R.B.I. Act, 1934.

2.2. TAXATION

1. Provision for Income Tax has been made in accordance with Income Tax Act, 1961.

2.3. EARNING PER SHARE :-

The Company reports earnings per share in accordance with AS 20. Earning per share is computed by dividing Net Profit after tax by weighted average number of equity shares outstanding during the year.

The computation of earning per share is given below :-

	FIGURES AS ON 31.3.2016	FIGURES AS ON 31.3.2015
Weighted Average Number of Equity Shares outstanding Nos.	2987800	2987800
Net Profit after tax	420254	4961382
Earning per share	0.14	1.66

2.4. DEFERRED INCOME TAX (AS 22)

The company has followed accounting standard 22 Accounting for Taxes on Deferred Income Tax is recognized subject to consideration of prudence of timing difference between taxable income/expenses that originate in one period and are capable of reversal in one or more subsequent periods.

The Break up of Net deferred tax liability is follows: -

	FIGURES AS ON 31.3.2016	FIGURES AS ON 31.3.2015
W.D.V. OF Fixed Assets as per Companies Act, 2013	13364985	13942732
WDV of Fixed Assets as per Income Tax Act	11435987	12421632
Timing Difference	1928998	1521100
Deferred Tax Liability	596060	470020
Deferred Tax asset on account of Tax impact of Long Term capital Loss	76733	76733
Tax impact on Provision for NPA	391457	336338
Tax impact on Standard Asset	129844	126201
Deferred Tax Asset / (Liability)	1975	69250



2.5. DEBENTURES ARE REDEEMABLE AT PAR IN ACCORDANCE WITH THE TERMS OF ALLOTMENT.

MATURITY PROFILE OF DEBENTURES

Rate of Interest (%)	2016-17	2017-18	2023-24	TOTAL
10.50 %	0	35000	0	35000
11.00 %	5810000	600000	0	6410000
11.50 %	11478000	0	16865000	28343000
TOTAL	17288000	635000	16865000	34788000

2.6. RELATED PARTY DISCLOSURES IN TERMS OF ACCOUNTING STANDARDS 18 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ARE AS FOLLOWS:

Key Managerial Personnel:

- (i) Mr. Shiv Dyal Chugh Managing Director

Relatives of Key Managerial Personnel:

Mr. Shiv Dyal Chugh: Mr. Rohin Chugh, Mr. Chandan Chugh, Mrs. Jyotsna

Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives:

Mr. Shiv Dyal Chugh: PHF Finance Limited
PHF Hire Purchase Limited
PHF Investment Limited
PHF Food Limited

Name of Related Party	Description of Relationship	Name of Transactions	Volume of Transactions (Amt. In Rs.)	Outstanding amount as at 31-03-2016 (Amt. In Rs.)	Amount written off or written back (Amt. In Rs.)
Mr. Shiv Dyal Chugh	Key Managerial Personnel	# Remuneration Interest on Fixed Deposit	1080000 100950	Nil 100950	Nil Nil
PHF Finance Limited	Enterprises upon which KMP having Significant Influence	ICD Taken ICD Interest Paid	Nil Nil	Nil Nil	Nil Nil



PHF Hire Purchase Limited	Enterprises upon which KMP having Significant Influence	ICD Granted	Nil	Nil	Nil
		ICD Interest received	Nil	Nil	Nil
PHF Investment Limited	Enterprises upon which KMP having Significant Influence	ICD Granted	Nil	Nil	Nil
		ICD Interest received	Nil	Nil	Nil

Remuneration means the Gross Remuneration without any decoctions.

2.7. Sundry Creditors include Rs. Nil (Previous year Rs 11428/-) due to directors.

2.8 The Company has complied with Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. The Capital Adequacy Ratio as on 31.03.2016 is 32.03% as against minimum of 15%

2.9. Remuneration to Directors	2015-16	2014-15
i. Salary to Mg. Director	1080000	990000
ii. Contribution to PF	21600	14700

2.10. Interest paid on overdue deposit is accounted for as and when such deposits are renewed.

2.11. Impairment of Assets (AS 28)

The carrying amounts of assets are reviewed at the balance sheet and tested for impairment. After due consideration of internal and external factors, it is established that the carrying amount of the assets is not less than the recoverable amount of these assets. Hence there is no impairment loss on the assets of the company.

2.12. Provisions for Contingent liability and contingent assets (AS 29)

CONTINGENT ASSETS.

The company had purchased 12 Bonds of Madhya Pradesh State Electricity bonds 1999 worth Rs. 12.00 Lacs on 13.01.2000 whose maturity period expired on 13.01.2007. During the year 2014-15, the Company received Rs. 16,26,786/- which pertain to Principal sum Rs. 12,00,000/- and Rs. 4,26,786/- towards interest calculated @ 7% upto 31.03.2005 and @ 8% for the subsequent period from 01.04.2005 to 13.01.2007 as against contracted rate of 13.70%. The Company has filed recovery Suit against Madhya Pradesh State Electricity Board in Delhi District Court for the recovery of differential interest as per Contract rate and as remitted by the Madhya Pradesh State Electricity Board. The Company has also filed claim of interest for the delayed receipt of principal & interest. The Cases are pending for adjudication.

2.13. Sundry debtors and creditors are subject to confirmation.

2.14 Previous Year figures have been regrouped and recast whatever necessary.



Additional Disclosures as required by Reserve Bank of India vide its notification No.

DNBR (PD) CC. No. 029/03.10.001/2014-15 dated 10th April, 2015

a) Capital Adequacy Ratio

	Particulars	Current Year	Previous Year
i)	CRAR (%)	32.03	27.38
ii)	CRAR - Tier I Capital (%)	31.77	27.16
iii)	CRAR - Tier II Capital (%)	0.26	0.22
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

b) Investments

(Amount in Rs. Lacs)

	Particulars	Current Year	Previous Year
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	72.00	72.00
	(b) Outside India		
	(ii) Provisions for Depreciation		
	(a) In India		
	(b) Outside India		
	(iii) Net Value of Investments		
	(a) In India	72.00	72.00
	(b) Outside India		
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance		
	(ii) Add : Provisions made during the year		
	(iii) Less : Write-off / write-back of excess provisions during the year		
	(iv) Closing balance		



c) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

	Upto 30/31 days	Over 1 month & upto 2 Month	Over 2 month & upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	11.04	21.66	28.08	61.12	232.68	349.95	6.82	0.00	711.35
Advances	125.21	120.23	115.31	308.68	464.18	265.82	54.96	0.00	1454.39
Investments	19.41	0.00	0.00	0.00	0.00	32.38	5.40	14.81	72.00
Borrowings	0.00	0.00	0.00	60.60	155.33	6.35	0.00	168.65	390.93

a) Remuneration of Director

Company has not paid any remuneration to the Non-executive Directors during the year.

b) Provisions and Contingencies

(Amount in Rs. Lacs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	NIL	NIL
Provision towards NPA	1.78	4.47
Provision made towards Income tax	2.42	24.07
Other Provision and Contingencies (with details)	NIL	NIL
Provision for Standard Assets	0.10	0.02

c) Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits (for deposit taking NBFCs)

(Amount in Rs. Lacs)

Total Deposits of twenty largest depositors	76.28
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	12.87%

ii) Concentration of Advances

(Amount in Rs. Lacs)

Total Advances to twenty largest borrowers	137.35
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	9.52%



iii) Concentration of Exposures

(Amount in Rs. Lacs)

Total Exposure to twenty largest borrowers /customers	137.35
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	9.52%

iv) Concentration of NPAs

(Amount in Rs. Lacs)

Total Exposure to top four NPA accounts	24.26
---	-------

v) Sector-wise NPAs

(Amount in Rs. Lacs)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1.	Agriculture & allied activities	
2.	MSME	
3.	Corporate borrowers	
4.	Services	
5.	Unsecured personal loans	
6.	Auto loans	3.81%
7.	Other personal loans	

d) Movement of NPAs

(Amount in Rs. Lacs)

	Particulars	Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)	2.93%	2.50%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	52.90	23.06
	(b) Additions during the year	17.07	29.84
	(c) Reductions during the year	15.01	0
	(d) Closing balance	54.96	52.90
(iii)	Movement of Net NPAs		
	(a) Opening balance	42.02	16.65
	(b) Additions during the year	14.33	25.37
	(c) Reductions during the year	14.06	0
	(d) Closing balance	42.29	42.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	10.88	6.41
	(b) Provisions made during the year	6.16	4.47
	(c) Write-off / write-back of excess provisions	4.37	0
	(d) Closing balance	12.67	10.88

**Note No.- 23**

Schedule to the Balance Sheet of Non Banking Financial Company
(Schedule to the Balance Sheet as required in terms of paragraph13 of
NBFC(Deposits Accepting or holding) Companies -- Prudential Norms
(Reserve Bank) Directions,2007
As on 31st March, 2016.

(Rs. in Lakhs)

LIABILITIES SIDE	Amount Out-Standing	Amount Overdue
1. Loans & advance availed by the NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures : Secured	440.96	3.97
: Unsecured	0.00	0.00
(Other than falling within meaning of public deposits)	0.00	0.00
(b) Deferred Credits	0.00	0.00
(c) Terms Loans	0.00	0.00
(d) Inter- corporate Loans & Borrowing	0.00	0.00
(e) Commercial Paper	0.00	0.00
(f) Public Deposits	628.30	0.00
(g) Other Loans (Specify nature)	0.00	0.00
i) Directors & directors' Relative Deposits	125.65	0.00
ii) Bank Borrowing	40.55	0.00
2. Break up of (1) (f) above (outstanding Public deposits) inclusive of interest accrued there on but not paid :-		
(a) In the form of unsecured debentures	0.00	0.00
(b) In the form of partly secured debentures i. e. debentures where there is a shortfall in the value of security	0.00	0.00
(c) Other Public Deposits	628.30	0.00
ASSETS SIDE	AMOUNT OUTSTANDING	
3. Break up of Loans & Advances including bills receivables (other than those included in (4) below :-		
(a) Secured		0.30
(b) Unsecured		10.41
4. Break up of Leased Assets & Stock on Hire & other Assets counting towards AFC Activities:-		
(i) Lease Assets including Lease rentals under sundry debtors:-		
(a) Financial Lease		0.00
(b) Operating Lease		0.00
(ii) Stock on Hire including hire charges under sundry debtors :		
(a) Assets on hire		1443.70
(b) Repossessed Assets		0.00
(iii) Other's Loans counting towards AFC Activities		
(a) Loans where assets have been repossessed		0.00
(b) Loans other than (a) above		0.00



(5) Break up of Investments :-		
CURRENT INVESTMENTS:-		
1. Quoted:-		
(I) Shares	(a) Equity	0.00
	(b) Preference	0.00
(ii) Debentures & Bonds		0.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other (please specify)		0.00
2. Unquoted:-		
(I) Shares	(a) Equity	0.00
	(b) Preference	0.00
(ii) Debentures & Bonds		0.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other (please specify)		0.00
LONG TERM INVESTMENTS		
1. Quoted:-		
(I) Shares	(a) Equity	0.00
	(b) Preference	0.00
(ii) Debentures & Bonds		0.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		60.14
(v) other (please specify)		0.00
2. Unquoted:-		
(I) Shares	(a) Equity	1.86
	(b) Preference	0.00
(ii) Debentures & Bonds		10.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other (FDR with Bank's)		39.18

6. Borrower group wise classification of assets financed as in (3) and (4) above:-
Please see note 2 below :-

		Amount (Net of Provision)		
Category		Secured	Unsecured	Total
1.	Related to Parties :			
	(a) Subsidiaries	0.00	0.00	0.00
	(b) Companies in the same group	0.00	0.00	0.00
	(c) Other related parties	0.00	0.00	0.00
2.	Other than related parties	1431.33	10.41	1441.74
Total		1431.33	10.41	1441.74



7. Investor group wise classification of all investments (Current & Long term) in shares and securities (Both quoted & unquoted):- Please see note 3 below :-

Category	Market Value/ Break up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties:		
(a) Subsidiaries	0.00	0.00
(b) Companies in the same group	0.00	0.00
(c) Other Related Parties	0.00	0.00
2. Other than Related Parties	72.00	72.00
Total	72.00	72.00

8. Other Information:	Amount (Rs.)
(i) Gross Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	54.96
(ii) Net Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	42.29
(iii) Assets acquired in satisfaction of debt	0.00

As per our report of even date
FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

Sd/-
J.R. GUPTA
PARTNER
M.NO. 011910
Place : Jalandhar
Date : May 28, 2016

Sd/-
Shubhash Chander Sikka
Chairman

For and on behalf of the Board of Directors
PHF LEASING LIMITED
Sd/-
Shiv Dyal Chugh
Managing Director



FINANCIAL HIGHLIGHTS

(Rs. In Lacs or as Indicated)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Gross Working	2877	3432	3433	2864	2647	2286	1978
Fixed Assets (Net)	134	139	148	140	129	116	114
Investments	111	111	119	116	116	118	113
HP Stock	1444	1673	1648	1454	1303	1123	967
Loans & Advances	1775	2067	2069	1821	1604	1376	1170
Current Assets	167	173	184	176	140	175	174
Deposits & Debentures	1102	1365	1364	1196	1043	910	808
Current Liabilities & Provisions	232	161	187	224	198	193	145
Equity Share Capital	299	299	299	299	299	299	299
Reserves & Surplus	207	202	188	167	146	127	121
Net Worth	506	501	486	465	444	426	420

OPERATING

PERFORMANCE

Revenue	379	451	395	335	307	266	235
Gross Profit Earnings	17	85	81	77	62	43	20
Profit Before Tax	10	75	75	72	59	39	16
Profit after Tax	4	49	52	53	46	27	11
Earning per share(in Rs.)	0.14	1.66	1.73	1.79	1.53	0.90	—
Rate of Dividend	----	9%	9%	9%	8%	6%	—

GROSS EARNINGS

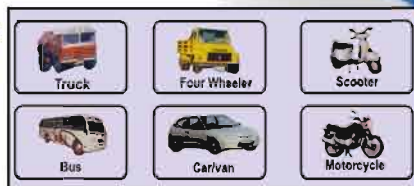
As a percentage of

Revenue	4.49	18.85	20.51	22.98	20.20	16.16	8.51
Net Worth	3.36	16.97	16.67	16.56	13.97	10.10	4.76



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FINANCING OF
ALL TYPES OF
VEHICLES



SECURED DEBENTURES



FULL FLEDGED MONEY CHANGER

BRANCHES:

Batala:- SCO-5, Shastri Nagar, Ph.: 01871-228492.
Kapurthala:- Dhariwal Complex, Opp. Bawa Lalwani School,
Ph.: 01822-232349.
Amritsar :- 2, Bhaiveer Singh Complex, Putli Ghar,
Ph.: 0183-2229181.