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**CORPORATE INFORMATION**

<b>Board of Directors</b>	: Subhash Chander Sikka (Chairman) Shiv Dyal Chugh (Managing Director) Rohin Chugh Chandan Chugh Neelam Kohli
<b>Auditors</b>	: M/s. Bindu Sharma & Co. Chartered Accountants Bhai Ditt Singh Nagar, Jalandhar
<b>Corporate Advisors</b>	: M/s Dinesh Gupta & Co. Raj Chamber, Hind Samachar Street, Jalandhar.
<b>Company Secretary &amp; Compliance Officer</b>	: Ms. Davinder Kaur
<b>Chief Financial Officer:</b>	Mr. Kuldip Bhandari
<b>Bankers</b>	: Punjab National Bank. HDFC Bank Ltd. ICICI Bank Ltd. IDBI Bank Ltd. Capital Small Finance Bank Ltd. Indian Bank.
<b>Registered &amp; Corporate Office</b>	: 923, G.T.Road, Jalandhar, Punjab Ph. 0181-4639903-06 e-mail: phf_leasingltd@yahoo.co.in www.phfleasing.com
<b>Branch Offices</b>	: ■ SCF 5, Shastri Nagar, Batala. Ph. 01871-228492. ■ Putli Ghar, Amritsar Ph. 0183-2229181.
<b>Stock Exchanges Where Company's Shares are Listed</b>	: MSEI (Metropolitan Stock Exchange of India Limited)

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



**DIRECTOR'S REPORT**

To  
The Esteemed Members

Your Directors have pleasure in presenting their 27<sup>th</sup> (Twenty Seventh) Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2019.

**STATE OF AFFAIRS**

PHF LEASING LTD 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 is promoting low cost financing to its Borrowers who are predominantly located in rural and semi urban areas in state of Punjab.

Your Company is providing services to all its borrowers through its Head Office & 2 (Two) Branches located at Amritsar and Batala and 1 (One) Collection Centre at Tarn Taran. Furthermore, the Company's focus has always been to develop excellent long term relationship with its Borrowers, Suppliers, Lenders and Employees.

**FINANCIAL HIGHLIGHTS**

The Company's financial performance, for the year ended March 31, 2019 and previous years are as under:

(Figures INR in Lakh Rounded Off)

Sr. No.	Particulars	2018-2019	2017-2018
1.	Loans & Advances	992.09	1048.62
2.	Borrowings	511.38	656.76
3.	Gross Income	231.13	286.68
4.	Expenditure (excluding depreciation)	260.28	274.41
5.	Depreciation	4.06	6.81
6.	Profit before exceptional items	-33.21	0
7.	Exceptional items	40.34	0
8.	Profit before taxes	7.13	5.46
9.	Taxes/Adjustment	8.67	(1.13)
10.	Net profit after tax	15.80	4.33



(Figures INR in Lakh Rounded Off)

Sr. No.	Particulars	2018-2019	2017-2018
11.	Profit Brought Forward	84.68	72.04
12.	Provision for dividend	0	0
	Provision for dividend tax	0	0
13.	Transfer to Statutory reserve	3.16	0.90
	Transfer to General reserve	0	0
14.	Paid up Capital	298.78	298.78
15.	Reserve & surplus	232.19	216.57
16.	Net Owned Funds	522.50	515.35
17.	Dividend %	0	0
18.	Earnings Per Share	0.53	0.15

**ANALYSIS OF FINANCIAL PERFORMANCE****a) TOTAL GROSS INCOME**

Total Gross Income of the Company stood at INR 231.13 Lakh for the Financial Year ending March 31, 2019 as against INR 286.68 Lakh for the financial year ending March 31, 2018 showing a decrease of about 19.38%. The reasons of the decrease in the gross income is the continuous slow down in auto sector and the conservative approach of the management of delinquency risk in the present scenario. However, the Management has taken various risk mitigating measures and is now geared up to increase the business. With the Government taking various measures to revive the economy and existing network and specialized resource, the management is hopeful of increasing the Auto financing and also diversifies to other products.

**b) NET PROFITS**

In spite of decrease in Gross revenue, the management has focused on reducing the overheads and other related costs of the company along with complying with the defensive policy, the Net Profit of the company stood at INR 15.80 Lakh as on March 31, 2019 as compared to INR 4.33 Lakh as on March 31, 2018. The Company is also working hard to increase its profitability in future.

**c) NET OWNED FUNDS**

During the Financial Year 2018-19, the Net Owned Funds of the Company as on March 31, 2019 increased to INR 522.50 Lakh as compared to INR 515.35 Lakh as on March 31, 2018.

**d) BORROWINGS**

The Borrowings of the company stood at INR 511.38 Lakh as on March 31, 2019 as compared to INR 656.76 Lakh as on March 31, 2018. 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.

**e) LOANS & ADVANCES**

The Company has adopted a conservative policy of investing against hypothecation of assets of commercial vehicles, two wheelers and three wheelers during this period of slow down. Consequently the Hypothecated assets of the company have decreased to INR 992.09 Lakh as on March 31, 2019 as against INR 1048.62 Lakh in the previous year as on March 31, 2018. The above situation arose due to tight market and auto industries downfalls. However, the Board is increasing the financing with new risk mitigation measures and new products.

**DIVIDEND**

Keeping in view the promising future prospects while retaining capital to maintain a healthy Capital Adequacy Ratio and to support future growth, the board recommends to plough back the earnings in the Company. Therefore, the Board has not recommended any dividend on the equity share capital of the company for the financial year 2018-19.

**OPERATIONAL - PROSPECTS AND FUTURE PLANS**

The company wishes to expand both vertically as well as horizontally. Your management has taken this decision keeping in mind the various factors. One of the major factors leading to the said decision was to minimize the risk of all the stakeholders. The vertical and horizontal expansion would ensure that both the products as well as the geographical area of the company are enhanced which will reduce the weighted average risk of the portfolio. The Company has identified new areas to increase the Geographical expansion and also short listed new products for executing the expansion and diversification plan.

**LISTING STATUS OF THE COMPANY**

During the previous year, the Listing status the company has been restored after the company was shifted to dissemination Board due to exit of Ludhiana and Delhi stock exchanges. PHF LEASING LTD got listed on Metropolitan Stock Exchange of India (MSEI) on May 16, 2018 and admitted for dealings on the exchange w.e.f May 21, 2018 vide circular no MSE/LIST/6322/2018. Therefore the company being a listed entity is complying with the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as applicable on the company.

**POLICIES ON APPOINTMENT OF DIRECTORS AND REMUNERATION**

Your Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance and has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Company's Remuneration Policy has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Committee also takes into account the fit and proper criteria for appointment of directors as stipulated by Reserve Bank of India. The Company has also formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

**CHANGE IN THE NATURE OF BUSINESS**

During the financial year 2018-19, there was No Change in the nature of business of the Company. The company continues to be a RBI Registered NBFC (Category-A) Asset Finance Company.

**CODE OF CONDUCT & ETHICS**

The Company has reviewed the 'Code of Conduct' (COC) & ETHICS of the Company during April 29, 2019. The assessment and compliance is being conducted by proficient Principal Officer of the Company as an independent agent of the Company.

Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of <http://www.phfleasing.com/coc.html>.

**RESERVE BANK OF INDIA – REGULATORY UPDATE AND GUIDELINES**

Your Company continues to comply with all the Regulations, 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) from more than 2 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). As the company has not got rating, the Company has neither accepted fresh public deposits from the financial year 2015-16 nor renewed the public deposits from the financial year 2016-17 and all the deposits, due for repayment during the financial year 2018-19, were paid to the Depositors, except deposits amounting to INR. 0.54 Lakhs which was unclaimed/unpaid as on March 31, 2019. The Public deposit outstanding as on March 31, 2019 is INR22.41Lakhs and from Directors & Relatives INR 140.66 Lakhs during the period under reviewed.



The company is complying with the Master Directions notification issued on September 01, 2016 (Updated as on August 02, 2019) by Reserve Bank of India - Master Direction RBI/DNBR/2016-17/45 DNBR.PD.008/03.10.119/2016-17 – "Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016."

**FAIR PRACTICES CODE**

Your Company has duly complied with the provisions of RBI relating to the maintenance and review of the Fair Practice Code. The Company 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. Fair Practice code has also been displayed on web site of the company at [www.phfleasing.com](http://www.phfleasing.com).

**DISCLOSURES PURSUANT TO COMPANIES ACT, 2013 READ WITH RULES FRAMED THERE UNDER AND AS PER SEBI (LODR), 2015 (LISTING REGULATIONS):**

**EXTRACT OF ANNUAL RETURN UNDER SECTION 92(3) AND WEB ADDRESS WHERE ANNUAL RETURN HAVE BEEN UPLOADED**

The extract of the Annual Return as at March 31, 2019 as provided under Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in MGT 9 is attached and can also be viewed on Company's website at [http://www.phfleasing.com/annual\\_reports.html](http://www.phfleasing.com/annual_reports.html)

**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	Investors Stake holders Grievance Redressal Committee
<b>Number of Meetings</b>	<b>10</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>Dates of Meeting</b>	Apr. 28, 2018 Jun. 21, 2018 Jul. 21, 2018 Aug. 11, 2018 Aug. 25, 2018 Oct. 27, 2018 Dec. 01, 2018 Feb. 01, 2019 Mar. 02, 2019 Mar. 16, 2019	Apr. 28, 2018 Jul. 21, 2018 Oct. 27, 2018 Feb. 01, 2019	Apr. 30, 2018 Jul. 20, 2018 Oct. 26, 2018 Jan. 31, 2019	Aug. 11, 2018 Oct. 27, 2018 Mar. 02, 2019	Oct. 26, 2018	Apr. 27, 2018 Oct. 26, 2018

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

Name of Directors	Board Meeting Attended	Audit Committee	Risk Management Committee	Nomination and Remuneration	Independent Directors Meeting	Investors Stake holders Grievance Redressal Committee
Subash Chander Sikka	10	4	-	3	1	2
Shiv Dyal Chugh	10	4	4	-	-	-
Rohin Chugh	10	-	-	3	-	2
Chandan Chugh	10	-	4	-	-	2
Neelam Kohli	10	4	4	3	1	-

**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 Companies Act, 2013, Your Directors state that: -

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.;
- (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.



**RE-APPOINTMENT OF INDEPENDENT DIRECTOR UNDER SECTION 149(10).**

During the year the company has not appointed or re-appointed any Independent Director under the provisions of section 149 of the companies Act, 2013.

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

The Board has received the declaration from all the Independent Directors as per the Section 149(7) of the Companies Act, 2013 (the 'Act') and the Board is satisfied that all the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**AUDITOR**

During the year under review, Ms Bindu Sharma, Chartered Accountant, (M. No. 542935) Statutory Auditors of the company have audited the accounts of the company for the financial year 2018-19 as per the provisions of Companies Act 2013 ('the Act') read with the Rules made thereunder.

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

Ms. Bindu Sharma, Chartered Accountants, Jalandhar, Statutory Auditors of the company has audited the accounts of the company for the financial year 2018-2019 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.

**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, 2019. The said report is attached to the Board Report.

**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 pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2018-2019 issued by M/s Dinesh Gupta & Co., Company Secretaries, Jalandhar is annexed to this annual report. The Board has advised the management to comply with the observations made in the Secretarial Audit Report.

**REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

**LOANS, GUARANTEES & INVESTMENTS UNDER SECTION 186**

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided or acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure requirements under Section 134(3) (g) of the Companies Act, 2013.

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

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 are furnished in prescribed Form AOC-2 attached to this report. During the year, The Related Party Transactions (RPTs) were entered in ordinary course of business on an Arm's Length Basis and were in compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The statement of RPTs was reviewed by the Audit Committee on a quarterly basis. Omnibus approval of the Audit Committee was obtained for the RPTs of repetitive nature.

**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.3.16 Lakh has been transferred to statutory reserves as on March 31, 2019.

**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.

**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 in 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 LTD is using customized centralized finance software for its operational and financial activities. 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-**

There was no foreign exchange inflow or Outflow during the year under review.

**RISK MANAGEMENT**

The Company's Risk Management Policy deals with identification, mitigation and management of risks across the organization. The same has been detailed in the Management Discussion and Analysis Report annexed to the Annual Report.

**DETAILS OF CSR POLICY AND ITS IMPLEMENTATION**

In the midst of certain uncertainties in the Leasing sector and in the overall financial sector of the Country, the Company 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, However, it has been organising awareness for the GO GREEN and SAVE LITTLE ANGLES.

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

The Company has laid down the criteria for performance evaluation of the directors including Chairman, Managing Director, Board Level Committees and Board as a whole as well as the evaluation process for the same pursuant to the provisions of section 134(3)(p) of the Companies Act, 2013. The criteria for evaluation of the Board as a whole, inter alia, covered parameters such as Structure of the Board, Meetings of the Board and Functions of the Board. The criteria for evaluation of Individual Directors covered parameters such as details of professional qualifications and prior experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, etc. The Nomination & Remuneration Committee has done the evaluation as per the policy put in place. The performance evaluation of the Independent Directors was carried out by the entire Board.

**CHANGE IN THE COMPOSITION OF THE BOARD OF DIRECTORS/ KEY MANAGERIAL PERSONNEL DURING THE YEAR**

No changes were made in the composition of Board of Directors during the financial year under review.

As per the provisions of Companies Act, 2013, Mr. Chandan Chugh retires by rotation and being eligible offers himself for appointment at the ensuring Annual General Meeting.

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations, as amended from time to time.

**APPOINTMENT OF KMPs OF COMPANY:**

During the Financial Year 2018-19, The Company has appointed Mr. Kuldip Bhandari as CFO and Ms. Davinder Kaur as Company Secretary of the Company and except this no fresh appointment of KMPs has been made by the Company during the period under review.. The following are the KMPs as on March 31, 2019.



Name	DIN/PAN	Designation
Mr. Shiv Dyal Chugh	00993747	Managing Director
Mr. Kuldip Bhandari	ADGPB1123N	CFO
Ms. Davinder Kaur	BDTPK0585P	Company Secretary

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

During the financial year 2018-19, No Company became or ceased to be the subsidiary/ Associate or joint venture of the Company.

**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.

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

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% up to 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 District 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.

**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 separately discussed in Management Discussion and Analysis forming part of this Report.

**TRANSFER OF UNPAID / UNCLAIMED DIVIDEND AND EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

As per section 124(5) of the Companies Act, the company will transfer to the IEPF account the dividend and shares which remains unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account of the company amounting to INR 1260/- and INR 1280/- for the financial year 2010-11 & 2012-13 respectively.

**WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

The Company's Whistle Blower Policy provides a mechanism under which an employee/director of the Company may report unethical behavior, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website [www.phfleasing.com](http://www.phfleasing.com) of the company.

**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.

**RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The Details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014 are as follows:

- (i) None of the Directors were in receipt of managerial remuneration other than Mr. Shiv Dyal Chugh during the financial year 2018-19.
- (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 2018-19 was 8.24%.
- (iv) The number of permanent employees on the rolls of the Company was 28 during the financial year 2018-19.

The increase in remuneration of employees depends on various factors like qualification, experience, performance, length of service etc. PHF LEASING LTD 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 2018-19. Mr. Shiv Dyal Chugh, Managing Director of the company, has been given Rs.10.80 lakh as remuneration during in Financial Year 2018-19.

None of the Directors were in receipt of any Sitting fees during in Financial Year 2018-19. The Company hereby affirms that the remuneration paid to employees of the Company during the financial year 2018-19 is as per the terms of remuneration policy of the Company.

**The Information as per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:**

There are no employees in the Company drawing salary of INR 1.02 Crore per annum or INR 8.50 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.

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

During the financial year under review, the Company had not issued shares with Differential Rights, Sweat Equity, ESOP etc. to any person.

**ISSUE OF CONVERTIBLE OR NON-CONVERTIBLE DEBENTURES ETC, IF ANY.**

During the financial year under review, the Company had not issued any Convertible or Non-Convertible Debentures to any person.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year 2018-19 under reviewed.

**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 INR 25.34 lakh as per the norms prescribed by RBI.

**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.

The Company has 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 Customer Care Representatives 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

**COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD - 1 AND SECRETARIAL STANDARD - 2**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.



**CORPORATE GOVERNANCE**

Pursuant to Schedule V of the Listing Regulations the following Reports/Certificates form part of the Annual Report:

- a) the Report on Corporate Governance;
- b) the Certificate duly signed by the Managing Director & CFO on the Financial Statements of the Company for the year ended March 31, 2019 as submitted to the Board of Directors at their meeting held on April 29, 2019;
- c) the declaration by the Managing Director & CFO regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct ; and
- d) the Management Discussion & Analysis Report

The Auditors' Certificate on Corporate Governance is annexed to this Annual report.

**MANAGEMENT DISCUSSION & ANALYSIS**

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

**ACKNOWLEDGMENT**

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and the other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by the Shareholders, Depositors, Debenture holders and Debt holders.

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

**PHF LEASING LIMITED**

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

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

Place : Jalandhar

Date : April 29, 2019



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2019)

### **GLOBAL ECONOMIC OVERVIEW**

Global Economic activity gathered momentum since January 2018, both in advanced and emerging market economies. In the middle of the year, the global growth became uneven with rising trade tensions. The economic activity of emerging market economies had decelerated in the middle of the year on account of weak domestic demand, rising trade tensions, elevated oil prices, tightening of financial conditions, etc. In the later half of the year, global economic activity showed increasing signs of weakness on rising trade tensions.

Brent Crude oil prices made a year high of \$86 per barrel in the beginning of October 2018, but started falling thereafter due to concerns of slowing global demand, raising of oil production by major oil producing members of Organization of the Petroleum Exporting Countries (OPEC) and increase in oil production by USA. However, crude oil prices rebounded since the beginning of January 2019, as members of OPEC and other oil producing countries started cutting the crude output. Also fighting in Libya and falling Venezuelan and Iranian exports has raised concerns over tightening global supply.

### **INDIAN ECONOMIC OVERVIEW**

The Indian economy began the year with 8.10% year-on-year growth in Gross Domestic Product (GDP) in January-March 2018, driven by higher growth in manufacturing, the farm sector and construction. It surpassed China's GDP growth rate of 6.80% in the January-March 2018 quarter, confirming India as the fastest growing major economy. The economy grew at 8% in April-June 2018 quarter on strong performance by manufacturing and consumer spending but slowed to 7% in July-September 2018 quarter on slower consumer spending and farm growth. The economy further slowed down to 6.60% in October-December 2018 quarter on weaker consumer demand and lower government spending.

Consumer Price Index (CPI) inflation rose to a near two-year high levels of 4.92% in June 2018, driven by surging oil and food prices, but fell to 19 month low levels of 1.97% in January 2019 due to a fall in food prices and smaller increases in fuel costs. In the sixth bi-monthly monetary policy of February 2019, CPI inflation was projected at 2.80% for Q4:2018-19.

RBI increased repo rate by 25 basis points each in its June, 2018 and August, 2018 bi-monthly policy meetings. However, it cut repo rate by 25 basis points each, in February, 2019 and April, 2019 bimonthly policy meetings to spur growth.



The government has exceeded the disinvestment target for the second year in a row in financial year 2018-19. Disinvestment through the Exchange Traded Fund (ETF) route proved to be a best route for the government.

The second advance estimates for 2018-19 released by the Central Statistics Office (CSO) in February 2019 revised India's real GDP growth downwards to 7.0% from 7.2% in the first advance estimates. Domestic economic activity decelerated for the third consecutive quarter in Q3:2018-19 due to a slowdown in consumption, both public and private. However, gross fixed capital formation (GFCF) growth remained in double digits for the fifth consecutive quarter in Q3, with the GFCF to GDP ratio rising to 33.10% in Q3:2018-19 against 31.80% in Q3:2017-18, supported primarily by the government's thrust on the road sector and affordable housing.

On the supply side, the second advance estimates of the CSO placed the growth of real gross value added (GVA) lower at 6.80% in 2018-19 as compared with 6.90% in 2017-18. GVA growth slowed down to 6.30% in Q3 due to a deceleration in agriculture output from the record level achieved in the Previous year. Industrial GVA growth remained unchanged in Q3, with manufacturing GVA growth slowing somewhat. Services GVA growth also remained unchanged in Q3; while growth in construction activity accelerated, there was some loss of momentum in public administration, defence and other services.

The net FDI inflows were strong in April-January 2018-19. Foreign portfolio investors turned net buyers in the domestic capital market in Q4: 2018-19. India's foreign exchange reserves were at US\$ 412.9 billion on March 31, 2019.

The Rupee made a lifetime low at Rs. 74 per dollar in October, 2018 due to rise in crude oil prices, fund outflows and concerns over fiscal deficit, but started recovering since the beginning of March, 2019 on inflow of foreign funds into domestic equity market. However, the rupee closed at an over six-week low of 70.25 per dollar on April 25, 2019 due to rising crude oil prices and selling in local equities.

The fiscal deficit in the first eleven months of the financial year 2018-19 was Rs. 8.51 trillion, widening from Rs. 7.16 trillion in the comparable year-earlier period. The fiscal deficit for the period from April 2018-February, 2019 was 134.2% of the government's estimate for the financial year 2018-19.

The government's total revenue of Rs. 12.66 trillion up to February, 2019 was 73.2% of the estimated revenue for the financial year 2018-19, out of which the net tax income was Rs. 10.94 trillion and non-tax revenue was Rs. 1.72 trillion, which were below the estimates for the financial year 2018-19.

The revenue expenditure was at Rs. 19.15 trillion in the first 11 months of the financial year 2018-19, 89.4% of the budgeted expenditure. The capital expenditure stood at Rs. 2.74 trillion during the said period, 86.6% of budget for the capital expenditure.



While announcing the interim budget for the fiscal year 2018-19, the government had revised its targeted fiscal deficit at 3.40% of GDP for FY 19 which has been met.

The World Bank report states that India's GDP growth would accelerate moderately to 7.50% in FY 2019-20, driven by continued investment strengthening, export performance and resilient consumption. RBI has projected India's GDP growth for 2019-20 at 6.8%-7.1% in H-1 2019-20 and at 7.3% -7.4% in H2 2019-20.

### **FINANCIAL SERVICES SECTOR**

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension/ mutual funds and other various entities. Scheduled Commercial Banks' credit growth on a year-on-year (y-o-y) basis improved across bank groups between March and September 2018, largely driven by the private sector banks (from 21.30% in March 2018 to 22.5% in September 2018). Private sector banks' deposit growth continued to be robust at 18.40%. The performance of the Public Sector Banks (PSBs) has witnessed an overall improvement with credit growth increasing from 5.90% in March 2018 to 9.10% in September 2018 and deposit growth increasing from 3.20% to 5.00% in the same period.

While, Non-Prompt Corrective Action (NPCA) PSBs' credit growth improved from 9.10% in March 2018 to 13.60% in September 2018 and deposits increased from 6.10% to 7.90% in the same period, the PCA-PSBs registered negative growth in both credit and deposits.

In order to develop and deepen the corporate bonds market, SEBI has recently issued a circular on fund raising by issuance of debt securities mandating the large corporate to raise 25% of their incremental borrowings from the financial year 2019-20 onwards through corporate bond market. This will address concentration risk in the banking system.

### **NBFC SECTOR**

As of 27th March, 2019, there were approximately 10,000 NBFCs registered with Reserve Bank of India (RBI). The primary activities of NBFCs are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bills discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting. NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. For instance, your Company providing finance for re-possessed vehicles at the doorstep of the customer. NBFCs bring the much needed diversity to the financial sector. NBFCs play an important role to promote financial inclusion agenda of the government by catering to the financial needs of people belonging to weaker section of the society.



The crisis faced by a large prominent financial institution of the country in September led to drying-up bank lending, thereby forcing NBFCs to scout for alternate sources of funding.

In February 2019, Reserve Bank of India (RBI) had eased risk weight norms to increase credit flow to NBFCs.

The banks are now required to assign differential risk-weights to their exposures to NBFCs based on ratings assigned by credit rating agencies, as against the existing practice of a uniform risk weight of 100%.

The move is aimed at not only freeing up capital for banks for further lending but also slash borrowing costs for well-rated NBFCs, which have been grappling with a systemic liquidity crisis triggered by a series of defaults by a large prominent financial institution and its subsidiaries.

In order to provide NBFCs with greater operational flexibility, the RBI has merged the categories of NBFCs classified as asset finance companies, investment companies and loan companies into a new category called NBFC - Investment and Credit Company ("NBFC-ICC").

The Society of Indian Automobile Manufacturers (SIAM) has forecast a single digit growth for overall vehicles sales in FY 2019-20. According to SIAM, passenger vehicle sales are projected to grow between 3-5% and commercial vehicle at 10-12%. The two-wheeler segment is expected to grow between 5-7% and three wheeler segments is pegged to grow between 7-9%. Driving this growth will be overall infrastructure and pre-buying of BS-IV vehicles in FY 2019-20 before BS-VI implementation and several launches in the current fiscal year.

The Company will continue focusing on financing of pre-owned commercial and passenger vehicles, further strengthening its presence, reach and penetration into rural and urban centres through large network of branches and rural centres. The Company's business model offers multiple financing opportunities.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

### **INTERNAL CONTROLS**

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit which ensure that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions initiated.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. Your Company uses a user friendly software to maintain its Books of Account. The transactional controls built into these systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The systems, Standard Operating Procedures and controls are reviewed by Management. These systems and controls are audited by Internal Audit and their findings and recommendations are reviewed by the Audit Committee which ensures the implementation. Review of the internal financial controls environment of the Company was undertaken during the year which covered verification of entity level control, process level control and IT controls, identification, assessment and definition of key business processes and analysis of risk control matrices, etc. The risk and control matrices are reviewed on a quarterly basis and control measures are tested and documented.

Reasonable Financial Controls are operative for all the business activities of the Company and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Nonetheless your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

**SWOT ANALYSIS****STRENGTHS**

- . Pioneer in the pre-owned commercial vehicles financing sector.
- . Listed Asset Financing Company in Punjab.
- . Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- . Strong Brand Name
- . A well-defined and scalable organizational structure based on product, territory and process knowledge
- . Consistent financial track record with rapid growth in AUMs
- . Experienced Senior Management Team
- . Strong relationships with public, private as well as banks, institutions and investors
- . Strong and Long term relationship with customers

**WEAKNESS**

- . Business and growth directly linked with the GDP growth of the country
- . Company's Customers are more vulnerable to negative effects of economic downturn

**OPPORTUNITIES**

- . Growth in the commercial vehicles, passenger vehicles and auto market
- . Meeting working capital needs of persons in commercial vehicles eco-system
- . Penetration into rural markets for financing light commercial vehicles
- . Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicle

**THREATS**

- . Competition from captive finance companies and small banks
- . Ad-hoc policies on phasing out of older vehicles
- . Inadequate availability of bank finance and upsurge in borrowing cost
- . External risks associated with liquidity stress, political uncertainties, fiscal slippage concerns, etc.

**RISK MANAGEMENT**

The Company is exposed to variety of risks such as credit risk, economy risk, interest rate risk, liquidity risk and cash management risk, among others. The Company has Enterprise Risk Management Framework which involves risk identification, risk assessment and risk mitigation planning for the Company. The Board of Directors has constituted a Risk Management Committee consisting majority of Directors. The terms of reference of the Risk Management Committee include periodical review of the risk management policy, risk management plan, implementing and monitoring of the risk management plan and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective areas/ functions.

The expertise in credit appraisal and collection developed by the Company over the past two decades helps mitigating credit risk. We lend on relationship-based model applying advanced credit assessment procedures and maintain regular contact with customers.

In order to mitigate liquidity risk, we ensure that the short-term and long-term fund resources are favourably matched with deployment. We resort to long-term funding instruments and securitization. We continue to enjoy the trust and support from our investors, security holders, depositors, banks and financial institutions, due to our impeccable record in servicing its debt obligations on time.

In order to mitigate interest rate risk, we have developed innovative resource mobilization techniques. In order to mitigate liquidity risks we have diversified the source of fund raising and widened the borrowing options to exploit opportunities and appetite in the international market for bonds of reputed Indian companies. The superior credit rating of the Company's financial instruments enables us to raise funds at competitive rates.



In order to mitigate cash management risk associated with collection of loan installments, we have initiated steps to on boarding our customers on technology platform. This is a challenge and a long term process as historically substantial part of our loan recovery is in the form of cash due to peculiar profile and business pattern of our customers. Our loan instalment collection process is efficient and secured through a robust cash management network with leading banks. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis. We are educating and encouraging our customers to adopt advanced methods of payment. In order to mitigate operation risk we continuously monitor our internal processes and systems. We have taken Directors and Officers insurance policy cover to mitigate legal risks.

### **FUTURE STRATEGY**

The Board has determined the following medium-term and long-term strategies to achieve its corporate goals over a period of next 3-5 years:

- To broad base the branch network through enlarging the Company's reach to new geographies.
- To focus on digital initiatives and customer awareness
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery process
- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction

### **INFORMATION TECHNOLOGY**

At PHF LEASING LTD there is an emphasis on continual improvement and up-gradation of systems and the underlying processes. Technology has been enabled to support easier implementation for business generation and collections, operational efficiencies, and compliance with statutes. Core business solutions for Loan origination and management, collections and Dealer Trade Advance have been implemented. Critical solutions of HRMS and GST compliance have gone on-stream. Enterprise platforms such as business process management and business intelligence have been implemented.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The company has discussed the financial performance with respect to the operational performance with intensity under the Board's Report which is also elaborated under the current year financial statements. The board's report also disclosed the analysis of current year financial performance with the previous year financial performance of the company in fair and transparent manner.



**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRY RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

PHF LEASING LTD recognises employees as its most valuable asset and it has built a transparent and meritocratic culture to nurture its Human Capital. Human Resources department continued its transformation initiatives to cater to the organizational requirements during the year.

The Company has a very effective and efficient team which works to the best of their capabilities as per the roles and responsibilities assigned to them. Company keeps a regular check and improves from time to time the Management Information System for better reporting. The Company have Twenty Eight employees as on March 31, 2019.

**DISCLOSURE OF ACCOUNTING TREATMENT**

The company has followed the historical cost convention on accrual basis of accounting in accordance with requirements of the Companies Act, 2013 read with rules, the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and Directions issued by Reserve Bank of India (RBI) from time to time applicable to Non-Banking Financial Companies, as applicable to the company.

The company had not followed any other different accounting procedures for preparation of financial statements, which are required to be disclosed in the financial statements and report of auditor.

**KEY FINANCIAL RATIOS**

S. No.	Key Indicators	2018-19	2017-18
1.	Debtors Turnover	N.A.	N.A.
2.	Inventory Turnover	N.A.	N.A.
3.	Interest Coverage Ratio	1.08	1.05
4.	Current Ratio	2.19	2.41
5.	Debt-Equity Ratio	1.24	1.63
6.	Operating Profit Margin	N.A.	N.A.
7.	Net Profit Margin	5.88%	1.40%
8.	Return on Net Worth (RONW)	3.06%	0.77%

**CAUTIONARY STATEMENT**

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc. available on the public domain which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance 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. The Company does not undertake to update these statements.

For and on behalf of the Board of Directors

PHF LEASING LIMITED

Sd/-

**Shubhash Chander Sikka**

Chairman

DIN : 01871492

Sd/-

**Shiv Dyal Chugh**

Managing Director

DIN : 00993747

Place : Jalandhar

Date : April 29, 2019



## **CORPORATE GOVERNANCE REPORT**

(THE REPORT ON CORPORATE GOVERNANCE FORMS PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019)

The Report for the financial year ended March 31, 2019 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

The Company's philosophy on Corporate Governance is aimed at:

- (a) Enhancing long term Shareholder value through:
  - Assisting the top management in taking sound business decisions; and
  - Prudent financial management.
- (b) Achieving transparency and professionalism in all decisions and activities of the Company.
- (c) Achieving excellence in Corporate Governance by:
  - Conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible.
  - Reviewing periodically the existing systems and controls for further improvements.

### **BOARD OF DIRECTORS:**

The Company has put in place an internal governance structure. The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director , who functions under the overall supervision, direction and control of the Board of Directors of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. Some of the powers of the Board have also been delegated to Committee(s), which monitors the day-to-day affairs relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the stakeholders value.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

**BOARD MEETING AND PROCEDURES**

The detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed notes is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). In some instances, documents are tabled at the meetings and the presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings. The information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. The Directors are also provided the facility of video/ tele conferencing to enable them to participate effectively in the Meeting(s), as and when required.

During the year under review, Ten Meetings of the Board of Directors were held on April 28, 2018, June 21, 2018, July 21, 2018, August 11, 2018, August 25, 2018, October 27, 2018, December 01, 2018, February 01, 2019, March 02, 2019 and March 16, 2019. The necessary quorum was present for all the meetings.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by Regulation 17A(1) of the Listing Regulations as of March 31, 2019, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees of the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM) and number of Memberships/Chairmanships of Directors in other Boards and Committees of Board are as follows:

**COMPOSITION OF BOARD**

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. The composition of Board of Directors, is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2018-19 and at the last Annual General Meeting, their directorships in other companies and membership /chairmanship in committees are as follows:



Name of the Director and Category of Directorship	Attendance at Board Meetings		Total No. of Directorships	*Membership / Chairmanship of Committees (including Company)		Whether attended the last AGM held on September 04, 2018
	Held	Attended		Chairman	Member	
Mr. Subhash Sikka Chairman, Non-Executive & Independent Director DIN: 0001871492	10	10	1	1	3	YES
Mr. Shiv Dyal Chugh Managing Director Executive & Non Independent DIN: 0000993747	10	10	6	1	1	YES
Mrs. Neelam Kohli Non-Executive & Independent Director DIN: 0002628811	10	10	1	1	3	YES
Mr. Rohin Chugh Non-Executive Non-Independent DIN: 0001519724	10	10	2	1	1	YES
Mr. Chandan Chugh Non-Executive Non-Independent DIN: 0001519390	10	10	3	1	1	YES

**Note 1:** \*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.

**Note 2:** The brief profiles of Directors are also available on the website of the Company [http://www.phfleasing.com/about\\_us.html](http://www.phfleasing.com/about_us.html)

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.



Sr. No.	Name of the Director & Designation	Core skills/expertise/competencies
1.	<b>Mr. Subhash Sikka</b> <b>Chairman,</b> <b>Non-Executive &amp;</b> <b>Independent Director</b> <b>DIN: 0001871492</b>	<b>Core Skills &amp; Expertise:</b> Administration, Social & Religious Work and Mr. Subhash Chander Sikka is Chairman and Non-Executive Independent Director on the Board of the Company. He is a businessman by profession. He is director on the Board of the Company since 29/03/2003. He is having more than 15 years of experience in the NBFC industry.
2.	<b>Mr. Shiv Dyal Chugh</b> <b>Managing Director</b> <b>Executive &amp;</b> <b>Non Independent</b> <b>DIN:0000993747</b>	<b>Core Skills &amp; Expertise:</b> Finance, Administration, Educational & Social Work and Mr. Shiv Dayal Chugh is the promoter and Managing Director of the Company. He has done graduation with Business Management. He has more than 40 years' experience in the business of NBFC. He is actively involved in social, educational and business organizations. He is also promoter of the PHF Group Companies like: PHF Investments Limited, PHF Hire Purchase Limited and PHF Finance Limited. He is actively involved in day today functioning of the company and introduced innovative ideas in the business, which helped it to grow manifold. He plays a key role in designing and functioning of all Legal and Statutory Compliances. He also contributes in the Management, Decision making policies, Strategy Management, Financing affairs of the Business Organisation.
3.	<b>Mrs. Neelam Kohli</b> <b>Non-Executive &amp;</b> <b>Independent Director</b> <b>DIN:0002628811</b>	<b>Core Skills &amp; Expertise:</b> Administration, Leadership & Social Work and Mrs. Neelam Kohli, is an Independent Director on the Board of the Company since 16/12/2014. She is a graduate in Arts. She has wide knowledge of HR Policies and Business Administration. She has adequate experience of NBFC industry and its affairs. She plays a key role in designing and updating HR Strategy.
4.	<b>Mr. Rohin Chugh</b> <b>Non-Executive</b> <b>Non-Independent</b> <b>DIN:0001519724</b>	<b>Core Skills &amp; Expertise:</b> Finance, Administration & Leadership Mr. Rohin Chugh, the elder son of Mr. Shiv Dyal Chugh, is Promoter and Non-Executive Director of the Board of the Company since 31/07/2003. He has done his MBA with specialization in Finance. He is the Managing Director of PHF Hire Purchase Limited. He is having more than 15 years of experience in the promotions and management of NBFC's.
5.	<b>Mr. Chandan Chugh</b> <b>Non-Executive</b> <b>Non-Independent</b> <b>DIN:0001519390</b>	<b>Core Skills &amp; Expertise:</b> Management, Administration, Educational & Social Work MR. Chandan Chugh, the younger son of Mr. Shiv Dyal Chugh and brother of Mr. Rohin Chugh, is Promoter and Non-Executive Director of the Board of the Company since 20/09/2000. He is graduate in Hotel Management. He is the Managing Director of PHF Finance Limited. He is having more than 18 years of experience in the NBFC industry and having wide knowledge of all aspects of NBFC business.



Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

#### **NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS**

The Company had neither issued any Convertible instruments nor does any director hold the same. The details of shares hold by Non-Executive Directors are as follows:

<b>SN</b>	<b>Name of Director</b>	<b>Designation</b>	<b>No of Shares held</b>	<b>% of Shares held</b>
1	Mr. Rohin Chugh	Non-Executive Director	20000	0.67%
2	Mr. Chandan Chugh	Non-Executive Director	20000	0.67%
3	Mrs. Neelam Kohli	Non-Executive Director	-	0%
4	Mr. Subhash Sikka	Non-Executive Director	4000	0.13%

#### **MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors met on October 26, 2018 without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board as a whole, Chairman and every Independent Directors. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The minutes of Independent Directors meeting were tabled at the meetings of Nomination and Remuneration Committee.

#### **FAMILIARIZATION PROGRAMME**

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. In addition, the Company also updates on continuous basis to the Independent Directors about the ongoing events and developments relating to the Company, significant changes in regulatory environment through the Board/Committee meetings and separate familiarization programme(s). During the Financial Year 2018-19 the Company had conducted 1 programmes / meetings and the time spent by Independent Directors



was in the range of 1-2 hours. The cumulative programmes / meetings conducted till date were 2 and the time spent by Independent Directors was in the range of 1-2 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: [www.phfleasing.com/familiarisation.html](http://www.phfleasing.com/familiarisation.html).

#### **POLICY FOR PROHIBITION OF INSIDER TRADING**

Vide notification No.EBI/LAD-NRO/GN/2018/59 Securities and Exchange Board of India (SEBI) has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company in its Board meeting held on April 29, 2019 has taken necessary initiative to implement the same. The Code also provides for pre-clearance of transactions by designated persons.

#### **COMMITTEES OF DIRECTORS**

##### **\* AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 ('the Act') and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. As on March 31, 2019, the Committee comprised of two Independent Directors and one Executive Director having financial background and knowledge in the business of the Company.

The Audit Committee met Four times viz April 28, 2018, July 21, 2018, October 27, 2018 and February 01, 2019 during the year under review and the number of meetings attended by each member during the year ended March 31, 2019 is as follows:

Name of Member	Designation	No of Meetings	
		Held	Attended
Mr. Subhash Chander Sikka	Chairman (Independent Director)	4	4
Ms. Neelam Kohli	Member (Independent Director)	4	4
Mr. Shiv Dyal Chugh	Member	4	4

##### **TERMS OF REFERENCE OF AUDIT 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 systems.
- ★ 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.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee (NRC) has been constituted by the Board as per the requirements of the provisions of Section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the Listing Regulations.

The Nomination and Remuneration Committee met 3 (three) times viz. August 11, 2018, October 27, 2018 and March 02, 2019 during the year under review and the number of meetings attended by each member during the year ended March 31, 2019 is as follows:



Name of Member	Designation	No of Meetings	
		Held	Attended
Ms. Neelam Kohli	Chairman (Independent Director)	3	3
Mr. Subhash Chander Sikka	Member (Independent Director)	3	3
Mr. Rohin Chugh	Member (Non Executive Director)	3	3

**TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE (NRC):**

The terms of reference of the NRC, inter alia includes:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees after ensuring that-
  - \* the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - \* relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - \* remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
2. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down by the Committee and recommend to the Board their appointment and removal.
3. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. To carry out evaluation of every Director's performance.
5. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. To devise a policy on Board diversity.
7. Formulation of Succession policy for Managing Director and CFO, Key Managerial Personnel and Senior Management Personnel.

**CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

The criteria for performance evaluation of Independent Directors provide certain parameters like commitment to the Company's vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications & liabilities as an independent director, up-to-date knowledge /information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., which is in compliance with applicable laws, regulations and guidelines.

**THE DETAILS OF SITTING FEES/REMUNERATION PAID TO THE DIRECTORS DURING THE FINANCIAL YEAR 2018-19 ARE AS UNDER:**

Sr. No.	Name of Director	Designation	Salary & Perquisites (Rs.)	Sitting Fees for attending Meetings (Rs.)	Total (Rs.)
1.	Mr. Shiv Dyal Chugh	Managing Director	Rs. 10,80,000/-	NIL	Rs. 10,80,000/-

**INVESTOR GRIEVANCE COMMITTEE/ STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Committee/Stakeholders Relationship Committee met 2 (Two) times viz. April 27, 2018 and October 26, 2018 during the year under review and the number of meetings attended by each member during the year ended March 31, 2019 is as follows:

No Investor Grievance/Stakeholders Complaints were received by the Company during the financial year 2018-19. 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	No of Meetings	
		Held	Attended
Mr. Rohin Chugh,	Chairman, (Non Executive Director)	2	2
Mr. Chandan Chugh,	Member, (Non Executive Director)	2	2
Mr. Subhash Chander Sikka,	Member, (Independent Director)	2	2



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:**

<b>At the beginning of the year</b>	<b>Received during the year</b>	<b>Resolved during the year</b>	<b>Pending</b>
NIL	NIL	NIL	NIL

**INFORMATION REGARDING DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN ENSUING ANNUAL GENERAL MEETING:**

<b>Name of Director</b>	<b>CHANDAN CHUGH</b>
Designation	Non- Executive Non -Independent
Date of Appointment	30/09/2000
Expertise in NBFC Functional Areas	More than 18 Years
Shareholding in PHF Leasing Limited	20000 Shares
Directorships held in other companies	PHF Finance Limited PHF Food Limited
Membership/Chairmanship of Committees of other Public Companies	_____

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Refer Corporate Social Responsibility Committee details given under Director's Report in respect of any MD/ WTD receiving remuneration sitting fees or commission from a company.

**RISK MANAGEMENT COMMITTEE**

The Risk Management Committee has been constituted in line with the Regulation 21 of Listing Regulations as amended.

The terms of reference of the Risk Management Committee shall be as follows:

1. Review of Risk Management Policy.
2. Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
3. Roll out and implementation of the Risk Management System.
4. Such other matters as may be delegated by Board from time to time.



During the year under review, the Committee met 4 (Four) times on April 30, 2018, July 20, 2018, October 26, 2018 and January 31, 2019. The necessary quorum was present for all the meetings.

The Risk Management Committee Composition is as follows:

Name of Member	Designation	No of Meetings	
		Held	Attended
Mr. Shiv Dyal Chugh	Chairman (Non Executive Director)	4	4
Mr. Chandan Chugh	Member (Non Executive Director)	4	4
Ms. Neelam Kohli	Member (Independent Director)	4	4

The Committee meets as and when required to deal with the matters relating to Risk Management Policy of the company.

#### **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
2017-18	September 04, 2018	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	1
2016-17	August 11, 2017	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	3
2015-16	September 17, 2016	04:00 PM	Hotel Kings, 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 2017-18:**

1. Special Resolution for Consider and approve Private Placement of Non-convertible Debenture

##### **2) During year 2016-17:**

1. Special Resolution for Consider and approve Private Placement of Non-convertible Debenture
2. Special Resolution for Re-listing of equity shares at Metropolitan Stock Exchange Of India Limited.
3. Special Resolution for Re-Appointment of Mr. Shiv Dyal Chugh (DIN: 00993747) as Managing Director of the Company.

**3) During year 2015-16:**

1. Special Resolution for Consider and approve Private Placement of Non-convertible Debenture.
2. Special Resolution for De-listing of equity shares and to get the securities removed from Dissemination Board of BSE.

**WHETHER ANY SPECIAL RESOLUTION PASSED LAST YEAR THROUGH POSTAL BALLOT**

There were no special resolutions passed through the postal ballot by the company during the previous year under review.

**PERSON WHO CONDUCTED THE POSTAL BALLOT**

The Company had not conducted the postal ballot during the previous year under review.

**WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT**

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

**PROCEDURE OF POSTAL BALLOT:**

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

**MEANS OF COMMUNICATION**

The Company, from time to time and as maybe required, interacts with its shareholders, debenture holders and investors through multiple channels of communication such as announcement of financial results, annual report, media releases, dissemination of information on the website of the Company and Stock Exchanges, reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures, unclaimed Fixed Deposits and/or interest due thereon and subject specific communications.



a)	Quarterly Results	The Company publishes its quarterly, half-yearly and annual results in Yugmarg (all India editions) and Daily Mehnat (Jalandhar edition) which are national and local dailies, respectively. These are not sent individually to the Shareholders.
b)	Newspapers wherein results normally published	The Company also publishes certain key Notices in Yugmarg (all India editions) and Daily Mehnat (Jalandhar edition).
c)	Any website, where displayed	The above information can be accessed on the Company's website at the web-link <a href="mailto:phf_leasingltd@yahoo.co.in">phf_leasingltd@yahoo.co.in</a>
d)	Whether it also displays official news releases	N.A
e)	Presentations made to institutional investors or to the analysis	N.A

**GENERAL SHAREHOLDERS' INFORMATION:**

SN	Particulars	As on March 31, 2019
a)	Date, Time and Venue	September 27, 2019 at 4:00 P.M. Kings Hotel, G.T Road, Jalandhar- 144001
b)	Financial Year	The financial year covers the period from 1st April to 31st March.
c)	Financial Reporting for	Quarter ending 30th June, 2019 - End July, 2019 Half-year ending 30th September, 2019 - End October, 2019 Quarter ending 31st December, 2019 - End January, 2020 Year ending 31st March, 2020 - End April, 2020
d)	Dividend payment date for the financial year 2018-19	There will be no dividend payable by the company during the Financial Year 2018-19 as no dividend has been recommended by the Board.
e)	Date of Book Closure	From Friday, September 21, 2019 to Tuesday, September 27, 2019 (both days inclusive)



f)	Registered Office	923, G.T Road, Jalandhar-144001, Punjab, INDIA
g)	Corporate Identity Number	L65110PB1992PLC012488
h)	Listing Details	The Company's Shares are listed on Metropolitan Stock Exchange of India Limited (MSEI) vide its letter dated May 16, 2018 stating that the equity shares of the company are listed and admitted for dealings on the exchange w.e.f May 21, 2018 vide circular no MSE/LIST/6322/2018.
i)	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	Metropolitan Stock Exchange of India Limited (MSEI) Vibgyor Towers, 4th Floor, Plot No C-62, G-Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai - 400098
j)	Stock Code Metropolitan Stock Exchange of India Limited (MSEI) Demat ISIN	Symbol: PHF  INE405N01016
k)	Non-Convertible Debentures	The company had not issued any Convertible Debentures or Non-Convertible Debentures during the financial year 2018-19.
l)	Registrars and Share Transfer Agents and address for correspondence	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area Phase - I, New Delhi - 110 020 Fax: 011-26812682 Email us at: admin@skylinerta.com or Call on Tel.: 011-26812682, 83, 011-64732681 to 88
m)	Share Transfer System	Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.
n)	Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index	N.A
o)	Whether any Securities Suspended	No





p)	Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely to impact on equity.	Your Company has not issued any ADRs, GDRs, warrants or any convertible instruments during the financial year ended March 31, 2019.
q)	Commodity Price risk or foreign exchange risk and hedging activities	Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk
r)	Plant Locations	In view of the nature of business activities carried on by the Company, the Company operates from its head office and branch offices located in Punjab and does not have any manufacturing plant.

**MONTHLY HIGH AND LOW OF COMPANY'S SHARES FOR THE FINANCIAL YEAR 2018 - 19 AT MSEI**

The Shares of the Company are not being traded and the price of the company is stable and quoted at INR 17.05/-.

**DISTRIBUTION OF SHAREHOLDING**

Table-1 and Table 2: List the distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March, 2019.

**Table 1: Distribution of Shareholding by size as on 31st March, 2019**

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% of Total Number	Share or Debenture holding Amount (Rs.)	% of Total Amount
Upto 5000	198	49.38	829700	2.78
5001 to 10000	110	27.43	1030500	3.45
10001 to 20000	38	9.48	547500	1.83
20001 to 30000	13	3.24	361000	1.21
30001 to 40000	4	1.00	151500	0.51
40001 to 50000	9	2.24	429000	1.44
50001 to 100000	7	1.75	503000	1.68
100001 & Above	22	5.49	26025800	87.11
<b>Total</b>	<b>401</b>	<b>100.00</b>	<b>29878000</b>	<b>100.00</b>



## 6) Category wise distribution of Equity shareholding as at March 31, 2019 :

	Category	Number of Shares Held	Percentage of Shareholding (%)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
a)	Individuals/ Hindu Undivided Family	2129980	71.29
b)	Central Government/ State Government(s)	0	0
c)	Bodies Corporate	0	0
d)	Financial Institutions/ Banks	0	0
e)	Any Other (specify)Trust	0	0
	<b>Sub-Total (A) (1)</b>	<b>2129980</b>	<b>71.29</b>
<b>(2)</b>	<b>Foreign</b>		
a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0
b)	Bodies Corporate	0	0
c)	Institutions	0	0
d)	Any Other (specify)	0	0
	<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	<b>2129980</b>	<b>71.29</b>
<b>(B)</b>	<b>Public shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
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
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>



(2)	Non-institutions		
a)	Bodies Corporate	3000	0.10
b)	Individuals -	0	
	i) Individual shareholders holding nominal share capital up to Rs.2 lakh.	423720	14.18
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakh.	428100	14.33
c)	Non Resident Indians	0	0
c-i)	Public Trusts	0	0
c-ii)	Corporate Bodies-OCB	0	0
c-iii)	Intermediary/Other Depository A/C	0	0
c-iv)	Hindu Undivided Family	3000	0.10
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
	<b>TOTAL (A)+(B)</b>	<b>0</b>	<b>0</b>
(C)	<b>Other than promoters</b>	<b>0</b>	<b>0</b>
(D)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2987800</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

As on 31st March, 2019, 69.74% (percent) of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are traded on MSEI.

**COMPLIANCE WITH REGULATION 34(3) AND PART F OF SCHEDULE V OF THE LISTING REGULATIONS**

In accordance with the provisions of Regulation 34 (3) and Part F of Schedule V of the Listing Regulations, the Company will reports the details in respect of the unclaimed Equity Shares as and when credited to a demat suspense account opened by your Company

**UNCLAIMED DIVIDEND AND SHARES TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY ("IEPF")**

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the IEPF Authority following the procedure prescribed in the Rules.

Pursuant to the provisions of section 124(5) of the Companies Act, 2013, the company is required to transfer to the Investor Education and Protection Fund (IEPF) account, the dividend which remains unpaid/unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account. Further the Company is also required to transfer to the IEPF Authority, the shares against which the dividend remained unpaid/unclaimed from last 7 years.

**DISCLOSURE OF RISK MANAGEMENT:**

The Company's Risk Management Policy deals with identification, mitigation and management of risks across the organization. The same has been dealt with in the Management Discussion and Analysis Report annexed to the Annual Report.

**OTHER DISCLOSURES:****a) 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 and the transactions are also disclosed in Board's Report under AOC-2

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

**b) DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES, IMPOSED ON THE LISTED BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS:**

During the financial year, Company has received a notice for Non-Compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 imposing a fine of Rs. 11,800/-. The Company clarified and requested for the waiver of the said fine through its letters dated August 30, 2018 and December 04, 2018. Further no communication has been received from the exchange.



**c) DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM, WHISTLE BLOWER POLICY, AND AFFIRMATION THAT NO PERSON HAS BEEN DENIED ACCESS TO THE AUDIT COMMITTEE**

The company has established the Vigil Mechanism/ Whistle Blower Policy and the details of the same are disclosed under Board's Report and there are no person who has been denied access to the audit committee.

**d) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance. Further, the Company has not adopted any non-mandatory requirements.

**e) WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED**

During the previous financial year there were neither material' subsidiaries of the company nor any policy framed by the company for the same.

**f) WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS**

The web link for the policy on dealing with related party transactions is as follows:  
<http://www.phfleasing.com/relatedparty.html>

**g) DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES**

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

In terms of Listing Regulations, the certification by the Managing Director and the Chief Financial Officer is annexed to this Annual Report.

**ADDRESS FOR INVESTOR'S CORRESPONDENCE:**

For any assistance regarding 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, Punjab, INDIA,

Ph: 0181-4639903-06; Email: [phf\\_leasingltd@yahoo.co.in](mailto:phf_leasingltd@yahoo.co.in)



**Declaration regarding compliance by Board Members and Senior Management Personnel  
with the Company's Code of Conduct**

[Pursuant to Regulation 17 (5), 26 (3) and 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors of PHF Leasing Limited at its Meeting held on December 16, 2014 adopted Code of Conduct as amended on August 25, 2019 to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5), 26 (3) and 34 (3) read with Schedule V (Part D) of Securities Exchange Board of India (LODR) Regulations, 2015 with the Stock Exchanges where the shares of the Company are listed.

As per Regulation 17(5), 26(3) and 34 (3) read with Schedule V (Part D) of Securities Exchange Board of India (LODR) Regulations, 2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2019.

**For PHF Leasing Ltd**

Sd/-

**Shiv Dyal Chugh  
Managing Director**

**Place: Jalandhar**

**Date: April 29, 2019**



**CFO CERTIFICATION  
FOR FINANCIAL YEAR 2018-19**

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

I, the undersigned, in my respective capacity as Chief Financial Officer (CFO) of PHF Leasing Limited ("the Company") to the best of my knowledge and belief certify that:

- A. I have reviewed financial statements and the cash flow statement for the year ended on March 31, 2019 and that to the best of my 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 my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating 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 disclosed, based on my evaluation wherever applicable to the Auditors and the Audit Committee:
- (1) Significant changes, if any, in internal controls over financial reporting during the year;
  - (2) Significant changes, if any, 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 we are 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.

Place: Jalandhar  
Date: April 29, 2019

**For PHF Leasing Limited**  
Sd/-  
**Kuldip Bhandari**  
CFO



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,  
PHF Leasing Limited  
923, G.T. Road, Jalandhar, Punjab-144001

Sir,  
We have conducted the Secretarial Audit for the financial year 2018-19 for the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/sPHF 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. Wherever 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 and 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/-  
CS Dinesh Gupta  
(Partner)  
M. No. 3462  
COP. No.1947

Place: Jalandhar  
Dated: April 25, 2019





Dinesh Gupta  
B.Com, LLB, FCS

**DINESH GUPTA & COMPANY**  
**COMPANY SECRETARIES**

Raj Chambers, Hind Samachar Street,  
Jalandhar City 144001 (Punjab) India  
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**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
For the Financial Year Ended March 31, 2019

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule9 of the Companies (Appointment and Remuneration Personnel)Rules, 2014]**

To,  
The Members,  
PHF Leasing Limited  
923, G.T. Road, Jalandhar,  
Punjab-144001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s'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 books, papers, minute books, forms and returns filed and other records maintained by the company' M/s PHF Leasing Limited' 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, 2019 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 aforesaid records maintained by the Company for the financial year ended on March 31, 2019 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) The 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 (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the amendments made thereunder from time to time;

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;
- e) 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;
- (vi) We have identified and hereby confirm that the following laws are specifically applicable to the Company:
  - a) The Reserve Bank of India Act, 1934
  - b) Non-Banking Financial Company - Non Systematically Important Deposit taking Company (Reserve Bank) Directions, 2016.



Other laws applicable on the Company including:

- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Employee Compensation Act, 1923
- Income tax Act, 1961
- Goods and Service Tax

have been duly Complied with as per the Representation received from the Company and on relying upon the Statutory Auditor Report.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and;
- (ii) The Uniform Listing Agreement for equity shares entered into by the Company with MSEI Limited, Mumbai and;
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following observations:

- a) The Company had not filed e-forms IEPF-2, IEPF-4 & IEPF-6 during the financial year 2018-19 with the Ministry of Corporate Affairs as required under Companies Act, 2013 and rules framed thereunder.
- b) Pursuant to the provisions of the Companies Act, 2013, the Company has not transferred the shares to the Investor Education and Protection Fund against whom the dividend was unpaid/unclaimed for a consecutive period of 7 years. However as per the clarification given by the management, the Company is under the process of ascertaining shareholders whose shares are required to be transferred to IEPF in consultation with its Registrar and Transfer Agent (RTA);
- c) The Company has duly submitted the voting results required as per Regulation 44 of SEBI (LODR) Regulations. However, there was delay in submitting Voting Results of Annual General Meeting which were required to be submitted within 48 hours from the conclusion of AGM.
- d) During the period under review, the Company has received a notice for payment of fine from Metropolitan Stock Exchange of India (MSEI) in respect of non-compliance of provisions of SEBI (LODR) Regulations, 2015. The company had duly submitted a reply to MSEI for requesting waiver of fine along with justifications for delay. In this regard, no further action was taken by the MSEI.



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. No change in the composition of the Board of Directors took place during the period under review.

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/-  
Cs Dinesh Gupta  
(Partner)  
M. No. 3462  
COP. No.1947**

**Place: Jalandhar  
Dated: April 25, 2019**



**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - Nil.
2. Details of material contacts or arrangements or transactions at arm's length basis-

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Shiv Dyal Chugh	Key Managerial Personnel	Remuneration	On routine basis	10,80,000	21-06-2017	-
Seth Ram Chand SD Chugh (HUF)	Associates	Rent	On routine basis	84,000	28-04-2018	-
Shiv Dyal Chugh	Key Managerial Personnel	FDR Interest	On routine basis	3,19,644	N.A	-
Relatives	Relatives of KMP	FDR Interest	On routine basis	154965	N.A	-
PHF Group Companies	Associates	Inter Corporate Deposit	On routine basis	4530475	28-04-2018	-
PHF Group Companies	Associates	ICD Interest	On routine basis	339670	N.A	-

# Remuneration means the Gross Remuneration without any deductions.

\* Equity includes Security Premium Reserve.

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

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

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

Place : Jalandhar  
Date : April 29, 2019



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
 As on financial year ended on 31.03.2019

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

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
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 Phone: 0181-4639903-06 Email ID: phf_leasingltd@yahoo.co.in
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

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(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	83.07%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
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



<b>IV. SHARE HOLDING PATTERN</b>									
(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 01-April-2018]"				"No. of Shares held at the end of the year [As on 31-March-2019]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	2,080,810	2,080,810	69.64%	2,070,810	59,170	2,129,980	71.29%	2.36%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>-</b>	<b>2,080,810</b>	<b>2,080,810</b>	<b>69.64%</b>	<b>2,070,810</b>	<b>59,170</b>	<b>2,129,980</b>	<b>71.29%</b>	<b>2.36%</b>
<b>(2) Foreign</b>									
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%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>-</b>	<b>2,080,810</b>	<b>2,080,810</b>	<b>69.64%</b>	<b>2,070,810</b>	<b>59,170</b>	<b>2,129,980</b>	<b>71.29%</b>	<b>2.36%</b>



<b>B. Public Shareholding</b>									
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%
<b>2. Non-Institutions</b>									
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	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Total Public (B)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Other than Promoters</b>	-	906,990	906,990	30.36%	13,000	844,820	857,820	28.71%	-5.42%
<b>Grand Total (A+B+C)</b>	-	<b>2,987,800</b>	<b>2,987,800</b>	<b>100.00%</b>	<b>2,083,810</b>	<b>903,990</b>	<b>2,987,800</b>	<b>100.00%</b>	<b>0.00%</b>





**(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	0	0.00%	0	-100.00%
2	Chandan Chugh	20,000	0.67%	0	20,000	0.67%	0	0.00%
3	Rohin Chugh	20,000	0.67%	0	20,000	0.67%	0	0.00%
4	Jyotsna Chugh	50,000	1.67%	0	50,000	1.67%	0	0.00%
5	Seth Ram Chand S D Chugh (HUF)	566,730	18.97%	0	566,730	18.97%	0	0.00%
6	Shiv Dyal Chugh	1,384,080	46.32%	0	1,443,250	48.30%	0	4.28%
7	Haripal Singh Gill	30,000	1.00%	0	30,000	1.00%	0	0.00%

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

Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>JATINDER SINGH MAKKAR</b>						
	At the beginning of the year	3/31/2018		10,000	0.33%	10,000	0.33%
	Changes during the year	-	Transfer	-10,000	-0.33%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2019		0	0.00%	0	0.00%

Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
2	<b>CHANDAN CHUGH</b>						
	At the beginning of the year	3/31/2018		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	3/31/2019		20,000	0.67%	20,000	0.67%



Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>3</b>	<b>ROHIN CHUGH</b>						
	At the beginning of the year	3/31/2018		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	3/31/2019		20,000	0.67%	20,000	0.67%

Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>4</b>	<b>JYOTSNA CHUGH</b>						
	At the beginning of the year	3/31/2018		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	3/31/2019		50,000	1.67%	50,000	1.67%

Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>5</b>	<b>SETH RAM CHAND S D CHUGH (HUF)</b>						
	At the beginning of the year	3/31/2018		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	3/31/2019		566,730	18.97%	566,730	18.97%



Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>6</b>	<b>HARIPAL SINGH GILL</b>						
	At the beginning of the year	3/31/2018		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	3/31/2019		30,000	1.00%	30,000	1.00%

Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>7</b>	<b>SHIV DYAL CHUGH</b>						
	At the beginning of the year	3/31/2018		1,384,080	46.32%	1,384,080	46.32%
	Changes during the year	10/27/2018	Transfer	30,000	1.00%	1,414,080	47.33%
		12/01/18	Transfer	9,170	0.31%	1,423,250	47.64%
		03/02/19	Transfer	20,000	0.67%	1,443,250	48.30%
	At the end of the year	3/31/2019		1,443,250	48.30%	1,443,250	48.30%



(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		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>GILL JASPAL</b>						
	At the beginning of the year	3/31/2018		55,800	1.87%	55,800	1.87%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2019		55,800	1.87%	55,800	1.87%
<b>2</b>	<b>CHAMAN LAL</b>						
	At the beginning of the year	3/31/2018		50,000	1.67%	50,000	1.67%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2019		50,000	1.67%	50,000	1.67%
<b>3</b>	<b>SUMAN</b>						
	At the beginning of the year	3/31/2018		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2019		40,000	1.34%	40,000	1.34%
<b>4</b>	<b>NITIKA SHIKHA</b>						
	At the beginning of the year	03/31/2018		10,000	0.33%	10,000	0.33%
	Changes during the year	07/21/2018	Transfer	10,000	0.33%	20,000	0.67%
		03/02/2019	Transfer	20,000	0.67%	40,000	1.34%
	At the end of the year	3/31/2019		40,000	1.34%	40,000	1.34%
<b>5</b>	<b>KARAN SHARMA</b>						
	At the beginning of the year	3/31/2018		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2019		40,000	1.34%	40,000	1.34%



<b>6</b>	<b>JASPAL BANSAL</b>						
	At the beginning of the year	3/31/2018		32,000	1.07%	32,000	1.07%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2019		32,000	1.07%	32,000	1.07%
<b>7</b>	<b>NITIKA</b>						
	At the beginning of the year	3/31/2018		30,000	1.00%	30,000	1.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2019		30,000	1.00%	30,000	1.00%
<b>8</b>	<b>GURNAM SINGH</b>						
	At the beginning of the year	3/31/2018		-	0.00%	-	0.00%
	Changes during the year	10/27/2018	Transfer	28,000	0.94%	28,000	0.94%
	At the end of the year	3/31/2019		28,000	0.94%	28,000	0.94%
<b>9</b>	<b>SHIVALI BANSAL</b>						
	At the beginning of the year	3/31/2018		27,600	0.92%	27,600	0.92%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2019		27,600	0.92%	27,600	0.92%
<b>10</b>	<b>GURVINDER KAUR</b>						
	At the beginning of the year	3/31/2018		19,300	0.65%	19,300	0.65%
	Changes during the year	10/27/2018	Transfer	2,500	0.08%	21,800	0.73%
	At the end of the year	3/31/2019		21,800	0.73%	21,800	0.73%



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>SHIV DYAL CHUGH</b>						
	At the beginning of the year	3/31/2018		1,384,080	46.32%	1,384,080	46.32%
	Changes during the year	10/27/2018	Transfer	30,000	1.00%	1,414,080	47.33%
		12/01/18	Transfer	9,170	0.31%	1,423,250	47.64%
		03/02/19	Transfer	20,000	0.67%	1,443,250	48.30%
	At the end of the year	3/31/2019		1,443,250	48.30%	1,443,250	48.30%
<b>2</b>	<b>ROHIN CHUGH</b>						
	At the beginning of the year	3/31/2018		20,000	0.67%	20,000	0.67%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	3/31/2019		20,000	0.67%	20,000	0.67%
<b>3</b>	<b>CHANDAN CHUGH</b>						
	At the beginning of the year	3/31/2018		20,000	0.67%	20,000	0.67%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	3/31/2019		20,000	0.67%	20,000	0.67%
<b>4</b>	<b>SUBHASH SIKKA</b>						
	At the beginning of the year	3/31/2018		500	0.02%	500	0.02%
	Changes during the year	10/27/2018	Transfer	3,500	0.12%	4,000	0.13%
	At the end of the year	3/31/2019		4,000	0.13%	4,000	0.13%
<b>5</b>	<b>NEELAM KOHLI</b>						
	At the beginning of the year	3/31/2018		-	0.00%	-	0.00%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	3/31/2019		-	0.00%	-	0.00%



<b>V. INDEBTEDNESS</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amt. Rs.)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	47,863,179.00	-	17,813,681.00	65,676,860.00
ii) Interest due but not paid	7,084,572.00	-	3,002,416.00	10,086,988.00
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>54,947,751.00</b>	<b>-</b>	<b>20,816,097.00</b>	<b>75,763,848.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	6,900,000.00	4,530,475.00	-	11,430,475.00
* Reduction	(24,803,541.00)	-	(24,456,576.00)	(27,260,117.00)
<b>Net Change</b>	<b>(17,903,541.00)</b>	<b>4,530,475.00</b>	<b>(24,456,576.00)</b>	<b>(15,829,642.00)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	30,300,565.00	4,530,475.00	16,307,713.00	51,138,753.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,743,645.00	-	2,051,808.00	8,795,453.00
<b>Total (i+ii+iii)</b>	<b>37,044,210.00</b>	<b>4,530,475.00</b>	<b>18,359,521.00</b>	<b>59,934,206.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>				
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	<b>Name</b>	<b>Sh. Shiv Dyal Chugh</b>		<b>(Rs./Lac)</b>
	<b>Designation</b>	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	-		-
	(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, Interest on FDR	319644.00		319644.00
	<b>Total (A)</b>	<b>1399644.00</b>		<b>1399644.00</b>
	<b>Ceiling as per the Act</b>	<b>Rs. 1.02 Cr.</b>		<b>Rs. 1.02 Cr.</b>



**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs./Lac)
<b>1</b>	<b>Independent Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
<b>2</b>	<b>Other Non-Executive Directors</b>	-	-	-	-
	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	-	-	-	-

**Note:** Company has not paid any remuneration to any other directors during the financial year ended on 31.03.2018.

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

SN.	Particulars of Remuneration	Name of Key Managerial Personal			Total Amount
	Name			Davinder Kaur	(Rs./Lac)
	Designation	CEO	CFO	CS	
1	Gross salary	-	-	175,000	175,000
(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	-	-	175,000	175,000

**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)
<b>A. COMPANY</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
<b>B. DIRECTORS</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-



**AUDITOR'S REPORT**

To  
The Members  
PHF LEASING LIMITED, JALANDHAR

**Report on the Standalone Financial Statements  
Opinion**

We have audited the accompanying Standalone financial statements of **M/s. PHF LEASING LIMITED ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

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, of the state of affairs of the Company as at March 31, 2019, and profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matter**

The Key Audit Matters which were addressed in the context of our audit of standalone financial statements as a whole we do not provide a separate opinion on these matters. As such, we have not determined any matters to be key matters to be communicated in our report.

**Responsibility of Management 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, (changes in equity) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

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

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

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account .
- d. In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PHF Leasing Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **PHF LEASING LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. BINDU SHARMA & CO.  
CHARTERED ACCOUNTANT  
FRN 033899N**

**PLACE: JALANDHAR  
DATED: April 29, 2019**

**Sd/-  
BINDU SHARMA  
PROPRIETOR  
M.NO- 542935**

**“Annexure B” 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, 2019:

- 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 granted unsecured loan to two body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- 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 31/03/2019 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). However money raised by way of term loan during the year was applied for the purpose for which those are raised.
- 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. 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 15.05.1998

**For M/s. BINDU SHARMA & CO.  
CHARTERED ACCOUNTANT  
FRN 033899N**

**PLACE: JALANDHAR  
DATED: April 29, 2019**

**Sd/-  
BINDU SHARMA  
PROPRIETOR  
M.NO- 542935**



**BALANCE SHEET AS AT 31ST MARCH, 2019**

(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.
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share Capital	2	29878000	29878000
	(b) Reserve and Surplus	3	23219016	21657053
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long Term Borrowings	4	27235784	35968927
	(b) Deferred tax liabilities (Net)		0	11875
	(c) Long Term Provisions	5	2898706	2093218
<b>3</b>	<b>Current liabilities</b>			
	(a) Short Term Borrowings	6	7278507	11926481
	(b) Other Current Liabilities	7	28621121	36251446
	(c) Short Term Provisions	8	291000	70000
	<b>TOTAL</b>		<b>119422134</b>	<b>137857000</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	(a) Fixed Assets			
	Tangible assets	9	1278275	12568416
	(b) Non Current Investments	10	2526140	5042140
	(c) Deferred tax Asset (Net)		847360	0
	(d) Long Term Loans and Advances	11	29476310	19012061
	(e) Other Non Current Assets	12	3264088	3134896
<b>2</b>	<b>Current assets</b>			
	(a) Cash and Cash Equivalents	13	6391631	7826612
	(b) Short Term Loans and Advances	14	74747661	89261588
	(c) Other Current Assets	15	890669	1011287
	<b>TOTAL</b>		<b>119422134</b>	<b>137857000</b>

Significant Accounting Policies and Notes to Accounts 1 to 22

Schedule as per RBI Requirement 23

As per our report of even date

For and on behalf of the Board of Directors

**For M/s.Bindu Sharma & Co.**

Chartered Accountant  
FRN 033899N

Sd/-

**Bindu Sharma**

Proprietor  
M.No. 542935  
Place : Jalandhar City  
Dated : April 29, 2019

Sd/-

**Shiv Dyal Chugh**  
Managing Director  
DIN-00993747

Sd/-

**Rohin Chugh**  
Director  
DIN-01519724

Sd/-

**Chandan Chugh**  
Director  
DIN-01519390

Sd/-

**Davinder Kaur**  
Company Secretary

Sd/-

**Kuldip Bhandari**  
CFO



**CASH FLOW STATEMENT**

Particulars	As at 31 March 2019		As at 31 March 2018	
<b>A. Cash Flow from Operating Expenses</b>				
Profit before Tax	713032		546372	
Add.: Financial Expenses	8197551	8910583	10899205	11445577
Add.: Depreciation	406429		680596	
Add.: Profit/Loss on sale of assets	(4033911)		0	
Add.: Bad Debts	1932064		860366	
Add.: Profit/Loss on sale of securities	(18344)		24300	
Add.: Provision for Non-Performing Assets	842357		371015	
Add.: Provision for Standard Assets	(36869)	(908274)	(36726)	1899551
Less:				
Dividend Received	(8190)		(8190)	
Interest Received on Government Securities	(484256)		(1060034)	
Tax Paid	(326292)	(818738)	(199193)	(1267417)
Operating Profit before Working Capital Charges		7183571		12077711
Working Capital Changes :				
Change in Long Term Advances	(10464249)		5761975	
Change in Non-Current Assets	(129192)		(303904)	
Change in Short Term Advances	14513927		15131516	
Change in Other Current Assets	247717		1687686	
Change in Long term provision	805488		334289	
Change in Current Liabilities	(7630325)	(2656634)	(23119363)	(507801)
Less: Financial Expenses		4526937		11569910
		(10506873)		(11493729)
Cash Flow from Operating Activities		(5979936)		76181
<b>B. Cash from Investing Activities</b>				
Purchase of Fixed Assets	(82374)		(325095)	
Change in Investments	2516000		0	
Dividend & Interest Received	492446		733073	
Sale of Fixed Assets	15000000		0	
Cash Flow from Investing activities		17926072		407978
<b>C. Cash Flow from Financing Activities</b>				
Change in Share Capital	0		0	
Change in Long Term Borrowings	(8733143)		(5724396)	
Change in Short Term Borrowings	(4647974)		3218650	
Dividend & Dividend Tax paid	0		0	
Cash Flow from Financing Activities		(13381117)		(2505746)
Net Increase/(decrease) in Cash/Cash Equivalents (A+B+C)		(1434981)		(2021587)
Cash & Cash Equivalents at the beginning of the year		7826612		9848199
Cash & Cash Equivalents at the end of the year		6391631		7826612

As per our report of even date

For and on behalf of the Board of Directors

For **M/s. Bindu Sharma & Co.**

Chartered Accountant

FRN 033899N

Sd/-

**Bindu Sharma**

Proprietor

M.No. 542935

Place : Jalandhar City

Dated : April 29, 2019

Sd/-

**Shiv Dyal Chugh**

Managing Director

DIN-00993747

Sd/-

**Rohin Chugh**

Director

DIN-01519724

Sd/-

**Chandan Chugh**

Director

DIN-01519390

Sd/-

**Davinder Kaur**

Company Secretary

Sd/-

**Kuldip Bhandari**

CFO





**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(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.
<b>I.</b>	<b>Interest</b>	16	23054438	28173597
<b>II.</b>	<b>Other Income</b>	17	58455	494110
	<b>Total Income</b>		<b>23112893</b>	<b>28667707</b>
<b>III.</b>	<b>Expenses:</b>			
i.	Employee benefits expense	18	7527767	8161753
ii.	Finance costs	19	8197551	10899205
iii.	Depreciation and amortization expense	9	406429	680596
iv.	Other expenses	20	7564473	7185126
v.	Provision & Write off	21	2737552	1194655
	<b>Total Expenses</b>		<b>26433772</b>	<b>28121335</b>
<b>IV.</b>	<b>Profit before exceptional and extraordinary items and tax</b>		(3320879)	546372
<b>V.</b>	Exceptional items		4033911	0
<b>VI.</b>	<b>Profit before extraordinary items and tax</b>		713032	546372
<b>VII.</b>	Extraordinary Items		0	0
<b>VIII.</b>	<b>Profit before tax</b>		713032	546372
<b>IX.</b>	Tax expense:			
	(1) Current tax		(291000)	(70000)
	(2) Income tax adjustment of previous years		0	(72278)
	(3) Deferred tax		859235	29305
	(4) Mat credit entitlement		299040	0
<b>X.</b>	<b>Profit (Loss) for the period from continuing operations</b>		1580307	433399
<b>XI.</b>	<b>Profit (Loss) for the period</b>		<b>1580307</b>	<b>433399</b>
<b>XII.</b>	Earnings per equity share:			
	(1) Basic		0.53	0.15
	(2) Diluted		0.53	0.15

As per our report of even date

For and on behalf of the Board of Directors

**For M/s. Bindu Sharma & Co.**

Chartered Accountant  
FRN 033899N

Sd/-

**Bindu Sharma**

Proprietor  
M.No. 542935  
Place : Jalandhar City  
Dated : April 29, 2019

Sd/-

**Shiv Dyal Chugh**  
Managing Director  
DIN-00993747

Sd/-

**Rohin Chugh**  
Director  
DIN-01519724

Sd/-

**Chandan Chugh**  
Director  
DIN-01519390

Sd/-

**Davinder Kaur**  
Company Secretary

Sd/-

**Kuldip Bhandari**  
CFO

**NOTE--1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****As on 31<sup>st</sup> March 2019****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 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) Overdue Income is accounted for on receipt basis.
- (iii) 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.
- (iv) Dividend Income is recognized on declaration/receipt of dividend.
- (v) 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 @ 0.40% of the Standard Assets as prescribed in RBI circular No. DNBS.PD.CC.No.002/03.10.001/2014-15 dated 10<sup>th</sup> Nov. 2014

**1.9. EMPLOYEES 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 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of Rs.10/- each	4500000	45000000	4500000	45000000
<b>Issued</b> Equity Shares of Rs.10/- each	3002300	30023000	3002300	30023000
<b>Subscribed &amp; fully Paid up</b> Equity Shares of Rs.10/- each	2987800	29878000	2987800	29878000
<b>TOTAL</b>	<b>2987800</b>	<b>29878000</b>	<b>2987800</b>	<b>29878000</b>

**(a) Reconciliation of number of shares**

Particulars	Equity Shares			
	As at 31 March 2019		As at 31 March 2018	
	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	<b>2987800</b>	<b>29878000</b>	<b>2987800</b>	<b>29878000</b>

**(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 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Shiv Dyal Chugh	1443250	48.30	1384080	46.32
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 2019	As at 31 March 2018
<b>a. General Reserve</b>		
Opening Balance	2900000	2900000
(+) Current Year Transfer	0	0
(-) Written Back in Current Year	0	0
Closing Balance	<b>2900000</b>	<b>2900000</b>
<b>b. Statutory Reserve Fund</b>		
Opening Balance	11472600	11382600
(+) Current Year Transfer	316100	90000
(-) Written Back in Current Year	-	-
Closing Balance	<b>11788700</b>	<b>11472600</b>
<b>c. Other Reserves (Share Forfeited reserve)</b>		
Opening Balance	38425	38425
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>38425</b>	<b>38425</b>
<b>d. Investment Reserves</b>		
Addition during the year	41810	376958
Less: amount written off during the year	(18344)	(335148)
Closing Balance	<b>23466</b>	<b>41810</b>
<b>e. Surplus in statement of Profit and Loss</b>		
Opening balance	7204218	6860819
(+) Net Profit/(Net Loss) For the current year	1580307	433399
(-) Transfer to Statutory Reserves	316100	90000
Closing Balance	<b>8468425</b>	<b>7204218</b>
<b>TOTAL</b>	<b>23219016</b>	<b>21657053</b>

**NOTE NO. 4 - LONG TERM BORROWINGS**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Secured</b>		
<b>Debentures</b>	20099000	22275000
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 hypothecation of documents of the company. <b>TERMS OF REPAYMENT (as per annexure 'A' attached below)</b>		
<b>TERM LOAN</b>		
<b>MIDLAND FINANCIERS (DOABA) LTD.</b>	0	2350340
<b>AGILE FINSERV PVT. LTD.</b>	0	1065107
<b>SHRIRAM TRANSPORT FINANCE CO. LTD.</b>	2396462	0
(Exclusive hypothecation of present & future loan receivables (Principal outstanding Net of financial charges, NPA's, other charges, etc.) to the extent of 150% for the loan outstanding of secured loans granted on collateral/hypothecated security)		
<b>TOTAL</b>	<b>22495462</b>	<b>25690447</b>
<b>Unsecured</b>		
<b>Deposits</b>		
<b>(i) Fixed Deposits (Director &amp; Relatives)</b>	4504009	8025230
<b>(ii) Fixed Deposits (Others)</b>	236313	2253250
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.		
<b>TOTAL</b>	<b>4740322</b>	<b>10278480</b>
<b>TOTAL</b>	<b>27235784</b>	<b>35968927</b>



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

Particulars	As at 31 March 2019	As at 31 March 2018
<b>(I) Provisions</b>		
Contingent Provision for Standard Assets	363725	400594
Provision for doubtful loans and advances	2534981	1692624
<b>TOTAL</b>	<b>2898706</b>	<b>2093218</b>

**NOTE NO. 6 - SHORT TERM BORROWINGS**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Secured</b>		
<b>(A) WORKING CAPITAL LOAN</b>		
<b>(From Capital Small Finance Bank Ltd.)</b>		
(Secured against hyp. documents, promissory notes and equitable mortgage of village Kutbewal, Teh. Phillaur)	2748032	11926481
	<b>2748032</b>	<b>11926481</b>
<b>Unsecured</b>		
<b>Inter Corporate Deposit</b>	4530475	0
<b>TOTAL</b>	<b>7278507</b>	<b>11926481</b>

**NOTE NO. 7 - OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Interest accrued and due on debentures	6743645	7084572
(b) Current maturities of deposits (Public)	1966937	3982356
(c) Current maturities of deposits (Directors & Relatives)	9562454	3552845
(d) Interest accrued and due on deposits (Public)	697484	1723287
(e) Interest accrued and due on deposits (Directors & Relatives)	1337798	1279129
(f) Unpaid matured deposits and interest accrued thereon	54526	0
(g) Unpaid dividend (Refer note (a) below)	20468	21728
(h) Current Payment of Term Loan	5057071	10246251
(i) Advance for sale of Land	0	4000000
(j) Other payables :-		
Audit Fees	25000	52000
Salary	399188	431073
Leave Encashment	331717	321721
Bonus	279100	268600
E.S.I. Contribution	17015	16706
EPF/FP Contribution	75375	70133
Sundry Creditors	1084694	1593339
Cheque Issued but not yet debited	668001	1331714
Professional Fees payable	82400	50000
Tax deducted at source	209248	225992
Software Development fees payable	9000	0
<b>TOTAL</b>	<b>28621121</b>	<b>36251446</b>

(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 2019	As at 31 March 2018
<b>(I) Provisions</b>		
Provision for Income Tax	291000	70000
<b>TOTAL</b>	<b>291000</b>	<b>70000</b>

**NOTE NO. 10 - NON CURRENT INVESTMENTS**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>OTHER (VALUE AT COST)</b>		
(A) Investments in Government or Trust securities		
i) 6.01% GOI Securities 2028	600000	600000
ii) 6.30% GOI Securities 2023	940000	940000
iii) 5.69% GOI Securities 2018	0	1816000
iv) 6.05% GOI Securities 2019	400000	400000
v) 5.69% GOI Securities 2018	0	400000
(B) Investment in Equity instruments -		
i) Capital Small Finance Bank Ltd. 9307 equity shares of Rs. 10/- each	186140	186140
(C) Investments in debentures or bonds		
i) 8.81% TNEB Bonds Series 3/2008-09	400000	700000
<b>TOTAL</b>	<b>2526140</b>	<b>5042140</b>
Less : Provision for diminution in the value of Investments	0	0
<b>TOTAL</b>	<b>2526140</b>	<b>5042140</b>

Non Current Investments	As at 31 March 2019	As at 31 March 2018
Aggregate amount of quoted investments	1940000	4156000
Aggregate amount of unquoted investments	586140	886140



**NOTE NO. 9 : FIXED ASSETS**

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2018	Additions	Disposals	Revaluations/ (Impairments)	Balance as at 31 Mar. 2019	Balance as at 1 April 2018	Depreciation charge for the year	Adjustment as per Companies Act 2013	On disposals	Balance as at 31 Mar. 2019	Balance as at 1 April 2018
<b>a) Tangible Assets (Not Under Lease)</b>											
Land	3287094	0	-3287094	0.00	0	0	0.00	0	0	0	3287094
Building	7764952	0	-7764952	0.00	0	623079	0.00	623079	0	0	7141873
Furniture and Fixtures	3077370	8000	-348007	0.00	2737363	2444698	0.00	162639	2337569	632672	399794
Vehicles	1350006	0	0	0.00	1350006	947593	0.00	0	11112751	402413	237255
Computers	1696764	19675	0	0.00	1716439	1453248	0.00	0	1546822	243516	169617
Electrical Equipment	760588	5000	-145580	0.00	620008	434250	0.00	66672	409287	326338	210721
Office Equipment	2881267	49699	-475249	0.00	2455717	2346757	0.00	202406	2194829	534510	260888
<b>Total (i)</b>	<b>20818041</b>	<b>82374</b>	<b>-12020882</b>	<b>0.00</b>	<b>8879533</b>	<b>8249625</b>	<b>0.00</b>	<b>1054796</b>	<b>7601258</b>	<b>12568416</b>	<b>1278275</b>
<b>Previous Year Figures</b>	<b>20492946</b>	<b>325095</b>	<b>0</b>	<b>0.00</b>	<b>20818041</b>	<b>7569029</b>	<b>0.00</b>	<b>0</b>	<b>8249625</b>	<b>12923917</b>	<b>12568416</b>



**NOTE NO. 11 - LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2019		As at 31 March 2018	
<b>A. Loans and Advances</b>				
1) Capital Advances	0		833750	
2) Security Deposits	30000		40000	
3) Loans & advances to related parties	0	30000	0	873750
4) Other Loans & Advances				
<b>a) Loan &amp; Advances against Hypothecation of Assets</b>				
(i) Secured Considered good	16153493		10013281	
(ii) Sub-Standard/Doubtful	13292817	29446310	8125030	18138311
<b>Total</b>		<b>29476310</b>		<b>19012061</b>

**NOTE NO. 12 - OTHER NON CURRENT ASSETS**

Particulars	As at 31 March 2019		As at 31 March 2018	
Income tax paid for earlier years		982455		853263
Interest Accrued on MPSEB Bonds		594133		594133
FDLG with Midland		1125000		1125000
FDLG with Agile Finserv Pvt. Ltd.		562500		562500
<b>TOTAL</b>		<b>3264088</b>		<b>3134896</b>

**NOTE NO. 13 - CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2019		As at 31 March 2018	
a. Balances with banks in current accounts		3410070		4555431
b. IDBI unpaid dividend A/c - 2010-11		0		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		14958
g. Cheques, drafts on hand		105218		282407
h. Cash on hand		2855875		2602678
i. FDRs (more than 12 months)		0		364368
<b>TOTAL</b>		<b>6391631</b>		<b>7826612</b>





**NOTE NO. 14 - SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2019		As at 31 March 2018	
<b>a. Loans and Advances</b>				
a) Loan against Hypothecation of Assets secured considered good		69762561		86723468
<b>b. Others (Specify Nature)</b>				
Advances -- Unsecured considered good	4985100		2538120	
Loan Against FDR's -- Secured	0	4985100	0	2538120
<b>TOTAL</b>		<b>74747661</b>		<b>89261588</b>

**NOTE NO. 15 - OTHER CURRENT ASSETS**

Particulars	As at 31 March 2019		As at 31 March 2018	
<b>Others (Specify Nature)</b>				
Prepaid Expenses	136102		144165	
Advance Income Tax	326292		199193	
Interest Accrued on Bank FDR's	0		573821	
Interest Accrued on Bonds & GOI Securities	10572		60155	
TDS Recoverable	44210		0	
Mat Credit Entitlement	299040		0	
Interest Accrued on FDLG	74453	890669	33953	1011287
<b>TOTAL</b>		<b>890669</b>		<b>1011287</b>

**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 2019	For the year ended 31 March 2018
<b>INTEREST :</b>		
Loan & Advances	22570182	27448711
Interest on SLR Securities	208955	314227
Interest on Bank FDR's	37827	248984
Interest Earned (Others)	184619	161675
Interest Earned (ICD)	52855	0
	<b>23054438</b>	<b>28173597</b>

**NOTE NO. 17 - OTHER INCOME**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Other Income:</b>		
Dividend	8190	8190
Interest Deduction on Pre-matures Deposit	2521	18527
Bad Debts Recovered	29400	71880
Interest on refund of Income Tax	0	57085
Profit on redemption of securities	18344	0
Interest on loan agt. fdr	0	3280
Discount on Investments w/off	0	335148
<b>TOTAL</b>	<b>58455</b>	<b>494110</b>

**NOTE NO. 18 - EMPLOYEE EXPENSES**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Salaries and Incentives, Bonus	5875145	5920646
(b) Contributions to -		
(i) Provident Fund, ESI Fund, Group Insurance	596882	812105
(c) Gratuity fund contributions	44871	232746
(d) Staff welfare expenses	130504	165553
(d) Medical Reimbursement	135750	186538
(f) Conveyance Allowance	744615	844165
<b>TOTAL</b>	<b>7527767</b>	<b>8161753</b>



**NOTE NO. 19 - FINANCE COSTS**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest Expenses on Fixed Deposit	2044840	3303278
Interest Expenses on Debentures	3251007	2726885
Bank Interest & Charges	692447	1883110
Interest paid on ICD	339670	340731
Interest paid on Term Loan	1838907	2577211
Document & Processing Charges	30680	37500
Debentures Fees & Taxes	0	30490
<b>TOTAL</b>	<b>8197551</b>	<b>10899205</b>

**NOTE NO. 20 - OTHER EXPENSES**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisements	61193	191702
AGM Expenses	46275	103979
Annual Maintenance Cost	3500	5110
Car Expenses	225237	231701
Donation	24700	2820
Electricity & Water Charges	328133	367600
Entertainment	98422	43640
Festival Expenses	149045	131190
General Expenses	167491	255035
Insurance Premium	172134	189772
Professional Charges	246325	235488
Loss on Maturity of GOI Sec.	0	24300
Listing Fees with MSEI Exchange	869150	0
Membership & Subscription Fees	33985	31457
Newspapers & Magazines	8663	12485
Payment to Auditors	60400	94400
Postage Expenses	26041	37697
Printing and Stationery	210446	172433
Rate and Taxes	94356	65468
Traveling Reimbursement Account	2894723	3174358
Rent Account	959842	710568
Repair & Maintenance		
-Building Repair	0	58000
-Other Repair	377727	369966
Rebate & Discount	47110	54391
Software Development Expenses	120000	130000
Scooter/Motor cycle Expenses	27494	13750
Telephone & Mobile Exp.	295959	440924
Tour & Traveling	16122	36892
<b>TOTAL</b>	<b>7564473</b>	<b>7185126</b>



**NOTE NO. 21 - PROVISION AND WRITE OFF**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Bad Debt Written off	1932064	860366
Provision for Non Performing Assets	842357	371015
Provision for Standard Assets	-36869	-36726
<b>TOTAL</b>	<b>2737552</b>	<b>1194655</b>

**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 2019	For the year ended 31 March 2018
<b>A. AUDITOR</b>		
i. for audit fees	25000	59000
ii. for company law matters		
iii. for management services		
iv. for taxation matter	35400	35400
v. for reimbursement of expenses		
<b>TOTAL</b>	<b>60400</b>	<b>94400</b>

As per our report of even date

**For M/s.Bindu Sharma & Co.**

Chartered Accountant

FRN 033899N

Sd/-

**Bindu Sharma**

Proprietor

M.No. 542935

Place : Jalandhar City

Dated : April 29, 2019

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

Sd/-

**Shiv Dyal Chugh**

Managing Director

DIN-00993747

Sd/-

**Rohin Chugh**

Director

DIN-01519724

Sd/-

**Chandan Chugh**

Director

DIN-01519390

Sd/-

**Davinder Kaur**

Company Secretary

Sd/-

**Kuldip Bhandari**

CFO



**Note No. - 22**

**B. NOTES TO ACCOUNTS**

**2.1. STATUTORY RESERVE:**

During the year, a sum of Rs 316100/- being 20% of the Profit after tax has been transferred to Statutory Reserve in accordance with section 45IC 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 :-

	<b>FIGURES AS ON 31.3.2019</b>	<b>FIGURES AS ON 31.3.2018</b>
Weighted Average Number of Equity Shares outstanding Nos.	2987800	2987800
Net Profit after tax	1580307	433399
Earning per share	0.53	0.15

**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: -

	<b>FIGURES AS ON 31.3.2019</b>	<b>FIGURES AS ON 31.3.2018</b>
W.D.V. OF Fixed Assets as per Companies Act,2013	1278275	12568416
WDV of Fixed Assets as per Income Tax Act	1674864	10088067
Timing Difference	<u>(396589)</u>	<u>2480349</u>
<b>Deferred Tax Liability</b>	<b>(103113)</b>	<b>644890</b>
<b>Deferred Tax asset on account of</b>		
Tax impact of Long Term capital Loss	0	76733
Tax impact on Provision for NPA	649678	430665
Tax impact on Standard Asset	94569	104155
Mat Credit	0	21462
<b>Deferred Tax Asset / (Liability)</b>	<b>847360</b>	<b>(11875)</b>


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

Rate of Interest (%)	2022-23	2023-24	2025-26	2027-28	TOTAL
9.11%	1275000	0	0	0	<b>1275000</b>
11.50 %	0	12344000	0	0	<b>12344000</b>
9.35%	0	0	1295000	0	<b>1295000</b>
11.00%	0	0	0	5185000	<b>5185000</b>
<b>TOTAL</b>	<b>1275000</b>	<b>12344000</b>	<b>1295000</b>	<b>5185000</b>	<b>20099000</b>

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

- (i) Key Managerial Personnel:  
Mr. Shiv Dyal Chugh - Managing Director
- (ii) Relatives of Key Managerial Personnel:  
Mr. Rohin Chugh, Mr. Chandan Chugh, Mrs. Jyotsna
- (iii) 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
- (iv) Related party transactions for the year ended on 31st March, 2019

Name of Transactions	Key Management Personnel	Relation of Key Management Personnel	Associates	Total	Previous Year Figures
<b>Income</b>					
House Rent	0	0	0	<b>0</b>	108000
Interest	0	0	52855	<b>52855</b>	NIL
<b>Expenses</b>					
Remuneration	1080000	0	0	<b>1080000</b>	1080000
Contribution to PF	21600	0	0	<b>21600</b>	21600
Rent	0	84000	0	<b>84000</b>	84000
Interest	319644	154965	339670	<b>814279</b>	692869
<b>Assets</b>					
Equity Shares	0	0	0	<b>0</b>	0
Deposit	0	0	0	<b>0</b>	0
<b>Liabilities</b>					
Equity Shares	14432500	6072300	0	<b>20504800</b>	20508100
Deposit	3435299	2605934	0	<b>6041233</b>	3521679
Inter Corporate Deposit	0	0	4530475	<b>0</b>	0

# Remuneration means the Gross Remuneration without any deductions.



2.7. 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 31.03.2019 is 48.37% as against minimum of 15%

2.8. <b>Remuneration to Directors</b>	<b>2018-19</b>	<b>2017-18</b>
i. Salary to Mg. Director	1080000	1080000
ii. Contribution to PF	21600	21600

2.9. **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.

2.10. 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 Next date of hearing is 31st July 2019.

2.11 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**

(Amount in Rs. Crore)

	Particulars	Current Year	Previous Year
i)	CRAR (%)	48.37	42.26
ii)	CRAR - Tier I Capital (%)	48.03	41.93
iii)	CRAR - Tier II Capital (%)	0.33	0.33
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	25.26	50.42
	(b) Outside India		
	(ii) Provisions for Depreciation		
	(a) In India		
	(b) Outside India		
	(iii) Net Value of Investments		
	(a) In India	25.26	50.42
	(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 3months	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	5.30	20.09	2.19	65.96	22.14	47.40	0.00	0.00	163.08
Advances	75.72	73.50	69.59	192.74	335.93	277.08	17.37	0.00	1041.93
Investments	0.00	0.00	4.00	0.00	0.00	4.00	9.40	6.00	23.40
Borrowings	10.54	10.69	83.59	10.03	8.51	36.71	123.44	64.80	348.31

**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	8.43	3.71
Provision made towards Income tax	2.91	0.70
Other Provision and Contingencies (with details)	NIL	NIL
Provision for Standard Assets	(0.37)	(0.37)

**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	120.01
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	73.58%

**ii) Concentration of Advances**

(Amount in Rs. Lacs)

Total Advances to twenty largest borrowers	54.60
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	5.24%



**iii) Concentration of Exposures**

(Amount in Rs. Lacs)

Total Exposure to twenty largest borrowers / customers	54.60
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	5.24%

**iv) Concentration of NPAs**

(Amount in Rs. Lacs)

Total Exposure to top four NPA accounts	16.86
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**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	1.62%
7.	Other personal loans	

**d) Movement of NPAs**

(Amount in Rs. Lacs)

	Particulars	Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)	10.58%	6.08%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	81.25	43.09
	(b) Additions during the year	64.17	51.43
	(c) Reductions during the year	12.50	13.27
	(d) Closing balance	132.92	81.25
(iii)	Movement of Net NPAs		
	(a) Opening balance	64.32	29.88
	(b) Additions during the year	53.18	44.69
	(c) Reductions during the year	9.93	10.25
	(d) Closing balance	107.57	64.32
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	16.93	13.21
	(b) Provisions made during the year	10.99	6.74
	(c) Write-off / write-back of excess provisions	2.57	3.02
	(d) Closing balance	25.35	16.93


**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, 2019.

(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	268.43	0.00
: 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	74.53	0.00
(d) Inter- corporate Loans & Borrowing	45.30	0.00
(e) Commercial Paper	0.00	0.00
(f) Public Deposits	29.55	0.54
(g) Other Loans (Specify nature)	0.00	0.00
i) Directors & directors' Relative Deposits	154.04	0.00
ii) Bank Borrowing	27.48	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	29.55	0.54
<b>ASSETS SIDE</b>	<b>AMOUNT OUTSTANDING</b>	
3. Break up of Loans & Advances including bills receivables (other than those included in (4) below :-		
(a) Secured		0.00
(b) Unsecured		49.85
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		992.08
(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 :-		
<b>CURRENT INVESTMENTS:-</b>		
<b>1. Quoted:-</b>		
(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
<b>2. Unquoted:-</b>		
(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
<b>LONG TERM INVESTMENTS</b>		
<b>1. Quoted:-</b>		
(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		19.40
(v) other (please specify)		0.00
<b>2. Unquoted:-</b>		
(I) Shares	(a) Equity	1.86
	(b) Preference	0.00
(ii) Debentures & Bonds		4.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other ( FDR with Bank's )		0.00

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

Category	Amount (Net of Provision)		
	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	966.73	49.85	1016.58
<b>Total</b>	<b>966.73</b>	<b>49.85</b>	<b>1016.58</b>



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	25.26	25.26
<b>Total</b>	<b>25.26</b>	<b>25.26</b>

8. Other Information:	Amount (Rs.)
(i) Gross Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	132.92
(ii) Net Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	107.57
(iii) Assets acquired in satisfaction of debt	0.00

As per our report of even date

**For M/s.Bindu Sharma & Co.**

Chartered Accountant  
FRN 033899N

Sd/-

**Bindu Sharma**

Proprietor  
M.No. 542935  
Place : Jalandhar City  
Dated : April 29, 2019

For and on behalf of the Board of Directors

Sd/-

**Shiv Dyal Chugh**  
Managing Director  
DIN-00993747

Sd/-

**Rohin Chugh**  
Director  
DIN-01519724

Sd/-

**Chandan Chugh**  
Director  
DIN-01519390

Sd/-

**Davinder Kaur**  
Company Secretary

Sd/-

**Kuldip Bhandari**  
CFO



**FINANCIAL HIGHLIGHTS**

(Rs. In Lacs or as Indicated)

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Gross Working	1712	2037	2306	2877	3432	3433
Fixed Assets (Net)	128	125	129	134	139	148
Investments	25	50	92	111	111	119
Net Loans & Advances	992	1048	1264	1444	1673	1648
Gross Loans & Advances	1158	1279	1508	1775	2067	2069
Current Assets	155	147	144	167	173	184
Deposits/Debentures/Term Loan	554	758	798	1102	1365	1364
Current Liabilities & Provisions	107	106	318	232	161	187
Equity Share Capital	299	299	299	299	299	299
Reserves & Surplus	232	216	212	207	202	188
Net Worth	522	515	511	506	501	486

**OPERATING  
PERFORMANCE**

Revenue	272	287	331	379	451	395
Gross Profit Earnings	11	12	15	17	85	81
Profit Before Tax	7	5	7	10	75	75
Tax Expenses	(2.91)	(0.70)	(1.49)	(2.42)	(24.07)	(21.90)
Deferred Tax/Mat Credit	11.58	(0.43)	(0.43)	(3.31)	(1.65)	(1.55)
Profit after Tax	16	4	5	4	49	52
Earning per share(in Rs.)	0.53	0.15	0.18	0.14	1.66	1.73
Rate of Dividend	----	----	----	----	9%	9%

**GROSS PROFIT EARNINGS**

**As a percentage of**

Revenue	4.04	4.18	4.53	4.49	18.85	20.51
Net Worth	2.11	2.33	2.94	3.36	16.97	16.67