

**Contents :**

Director Report	1
Management Discussion & Analysis Report	17
Report on Corporate Governance	23
MD Certification	37
Secretarial Auditor Certificate under Clause-49	39
Secretarial Audit Report	40
Auditor's Report	53
Balance Sheet	57
Cash Flow Statement	58
Profit & Loss A/c	59
Significant Accounting Policies & Notes to Financial Statement	60
Schedule as 9BB	77
Financial Highlights	80

CORPORATE INFORMATION

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

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

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

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

**Registered &
Corporate Office** : 923, G.T.Road,
Jalandhar, Punjab
Ph. 0181-4639903-06
Fax. 0181-2459635
e-mail: phf_leasingltd@yahoo.co.in

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

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

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



DIRECTOR'S REPORT

To
The Esteemed Members

Your Directors are pleased to present the 25th Annual Report and the Company's audited accounts for the financial year ended March 31, 2017. You being our valued partners in the Company for a long time, we share our vision of growth with you and our guiding principles are a blend of optimism which has been and will be the guiding force of all our future endeavors.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2017 and previous years are as under:

(Figures Rs. in lacs rounded off)

SR. No.	<u>PARTICULARS</u>	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
1.	H.P. Stock	1264.31	1443.70
2.	Borrowings	798.23	1102.28
3.	Gross Income	330.65	379.74
4.	Expenditure (excluding depreciation)	316.15	362.42
5.	Depreciation	7.27	7.39
6.	Profit before taxes	7.23	9.93
7.	Taxes / Adjustments	(1.92)	(5.73)
8.	Net Profit after Tax	5.31	4.20
9.	Profit Brought Forward	64.36	61.00
10.	Provision for dividend	0	0
	Provision for dividend tax	0	0
11.	Transfer to Statutory reserve	1.06	0.84
	Transfer to General reserve	0	0
12.	Paid up Capital	298.78	298.78
13.	Reserve & Surplus	211.82	206.51
14.	Net Owned Funds	510.60	505.27
15.	Dividend %	0	0
16.	Earnings Per Share	0.18	0.14

**DIVIDEND**

Keeping in view the Low Profits earned during the year with future prospects and growth, the Board of Director's of the company has decided to plough back the profits for the financial year ending March 31, 2017. The Company looks forward to achieve higher growth rate in the coming years.

TOTAL GROSS INCOME

The total gross income of the Company stood at Rs. 330.65 Lakh for the Financial Year ending March 31, 2017 against Rs. 379.74 Lakh for the financial year ending March 31, 2016 showing a decrease of about 12.93%. The reasons of the decrease in the gross income was the slow growth of auto sector and the demonetization impact which started from November 08, 2016 till March 31, 2017.

NET PROFITS

As a result of constant focus on reducing the overheads and other related costs by the management of the company alongwith complying with the defensive policy, the Net Profit of the company stood at Rs. 5.31 Lakh as on March 31, 2017 as compared to Rs. 4.20 Lakh as on March 31, 2016 showing an increase of about 26.42%. The Company is functioning hard to increase its profitability.

NET OWNED FUNDS

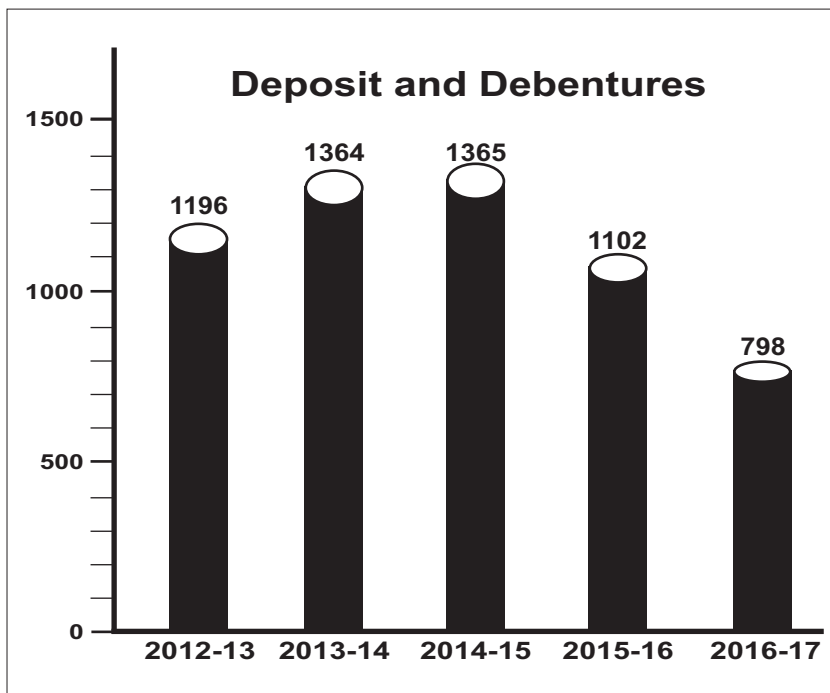
Net Owned Funds of the Company as on March 31, 2017 increased to Rs. 510.60 Lakh as compared to Rs. 505.27 Lakh as on March 31, 2016.

BORROWINGS

The borrowings of the company stood at Rs798.23lakh as on March 31, 2017 as compared to Rs. 1102.28 lakh as on March 31, 2016. All the deposits due for repayment during the year were paid during the year. Except Deposit amounts Rs. 26.41 Lakh of 33 accounts which are unclaimed as on 31.03.2017. The company has complied with the legal requirements prior to maturity of deposits as per RBI norms. All the claimed matured deposits has been paid till the date of the report.

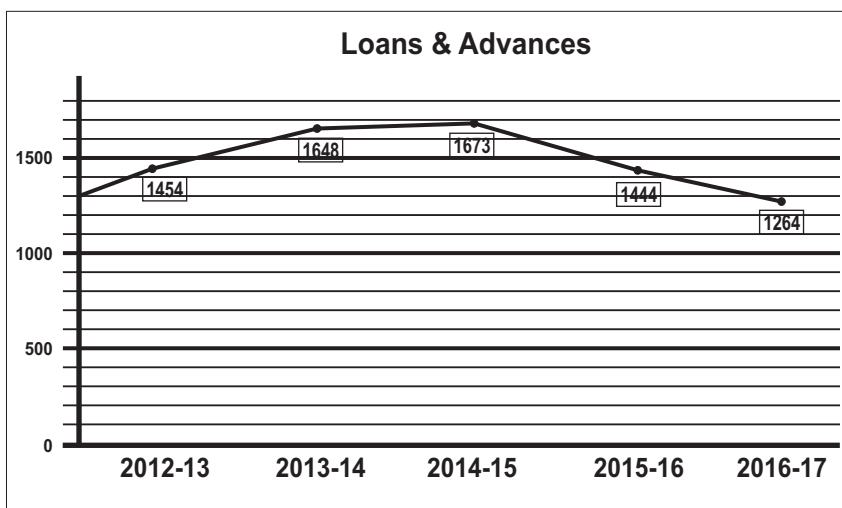


The Company has complied with the liquidity requirements of the Reserve Bank of India to maintain the liquid assets. The company has also complied with the RBI directions regarding acceptance of deposits and additional norms applicable to it.



LOANS & ADVANCES

The company has adopted a defensive policy of investing against hypothecation of assets of commercial vehicles, two wheelers and three wheelers. The assets of the company have decreased to Rs. 1264.31 Lakh as on March 31, 2017 as against Rs. 1443.70 Lakh in the previous year as on March 31, 2016.





OPERATIONS - PROSPECTS AND FUTURE PLANS

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

In its core business, your Company operates with transparent policies, well-managed team at Head Office, Branches & collection centres and positive efforts of field officers. Your Company is providing to all borrowers and customers mainly from three branches located at Amritsar, Batala, Kapurthala and collection centres at Tarn Taran, Mukerian, Amb (HP) & Phagwara in which the financing and loans for new or used vehicles and its recovery are provided. Furthermore, the Company's focus has always been to develop excellent long term relationship with borrowers, suppliers, lenders and employees.

LISTING STATUS OF THE COMPANY

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

Your company has decided in its board meeting held on dated October 8, 2016 vide its Resolution No 9 to Re-listed its Equity shares on Metropolitan Stock Exchange of India Limited and get the listed status of the company as per the extent norms or which have been prescribed by SEBI and compliances as may be required.



DECLARATION BY INDEPENDENT DIRECTORS

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.

POLICIES ON APPOINTMENT OF DIRECTORS AND REMUNERATION

The Company's Policy on Board Diversity provides criteria for appointment of directors. The Company's Remuneration Policy provides for remuneration of Managing Director, Independent Director, Key Managerial Personnel, Employees, etc. 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.

CHANGE IN THE NATURE OF BUSINESS

The Company during the financial year 2016-17 does not have any change in the nature of business, however your Company has New Business Plans and Future Road Maps. To increase the efficacy and control over the business activities needs inspection and regular check of business activities has been enhanced.

CODE OF CONDUCT & ETHICS

PHF Leasing Limited has reviewed the 'Code of Conduct' (COC) & ETHICS of the Company during April 29, 2017. The assessment and compliance is being conducted by efficient and proficient Principal Officer of the Company as an independent agent of the Company,

RESERVE BANK OF INDIA – REGULATORY UPDATE

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



DEPOSITS

The Company is registered with Reserve Bank of India as Deposit taking NBFC (AFC-D). The Company has not accepted/renewed fresh public deposit during the financial year 2016-17 and the Public deposit outstanding as on March 31, 2017 is Rs. 289.97 Lakhs and from Directors & Relatives Rs. 115.78 Lakh.

FAIR PRACTICES CODE

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

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

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

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

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

Particulars	Board Meetings	Audit Committee	Risk Management Committee	Nomination and Remuneration	Independent Directors Meeting	Investors Stake holders Grievance Redressal Committee
Number of Meetings	6	4	-	-	-	-
Dates of Meeting	30-04-2016 28-05-2016 20-08-2016 08-10-2016 03-12-2016 11-02-2017	28-04-2016 20-08-2016 08-10-2016 11-02-2017	28-04-2016 20-08-2016 08-10-2016 11-02-2017	07-10-2016	07-10-2016	30-04-2016 08-10-2016

**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	6	4	-	1	1	2
Shiv Dyal Chugh	6	4	4	-	-	-
Rohin Chugh	6	-	-	1	-	2
Chandan Chugh	6	-	-	-	-	2
J.S Makkar	6	-	4	-	-	-
Neelam Kohli	6	4	4	1	1	-

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

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

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

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

PHF Leasing Ltd has received the declarations from the Independent Directors under the provisions of section 149 (6) & (7) of Companies Act, 2013 as on the first meeting of the the financial year.

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

The Company has not made any fresh appointment of any Independent Directors during the financial year 2016-17.

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

M/s Dass & Co., Chartered Accountants, Jalandhar, Statutory Auditors of the company have audited the accounts of the company for the financial year 2016–2017 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.

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

The Secretarial Audit Report from M/s Dinesh Gupta & Co., Company Secretaries, Jalandhar is obtained for the financial year ended March 31, 2017 and there is no Qualification, Reservation, Adverse Remarks or Disclaimer made by M/s Dinesh Gupta & Co. in the said Secretarial Audit Report which needs explanations or comments by the Board.

8. LOANS, GUARANTEES & INVESTMENTS UNDER SECTION 186

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



9. 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 as Annexure A to this report. During the year, Company has entered into related party transactions according to Section 188 of the Companies Act, 2013. Hence no information is required to be furnished in this regard.

10. 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. 1.06 Lakh has been transferred to statutory reserves as on March 31, 2016.

11. 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.

12. 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 / Money Transfer earnings

During the Year, the company has earned an income of Rs. 0.81 Lakh from Full Fledge Money Changer Business & Rs.0.13 Lac from Money Transfer.

13. 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.

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

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

Pursuant to the provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees. The Company's Board of Directors is dedicated to act in good faith; exercise its judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, the Board approved policy for performance evaluation has been put into place in accordance with the requirements of Section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board and Board Committees shall be assessed by the Company. Such an evaluation procedure provides a fine system of checks and balances on the performance of the directors and ensures that they exercise their powers in a rational manner.



The Nomination and Remuneration Committee undertook the review of skills, activities and time commitment of the Board and Committees for the year 2016-17. This was undertaken to ensure that Board and Committees are well positioned to develop and execute PHF Leasing's strategy. The review of the performance of Nomination Committee and its members has been done by Board. The review included a discussion on how the Board should approach its work in future. Given the review of Board skills, certain key areas of Board's working are tested which includes strategy, assurance, risk, governance and compliance processes. The outputs of evaluation are discussed with the Board, each committee and individually.

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

During the year, the 5 years tenure of Mr. Shiv Dyal Chugh as Managing Director of the Company expired on July 31, 2017 and the Board recommended his re-appointment for further 5 years and no other changes were made in the composition of Board of Directors or Key Managerial Personnel during the financial year under review.

In compliance with the provisions of the Listing Regulations, the Company has a combination of executive and non-executive directors with one woman director.

APPOINTMENT OF KMPs

Except the re-appointment of Mr. Shiv Dyal Chugh as Managing Director, No fresh appointment of KMPs has been made by the Company during the Current Year. The following are the KMPs as on March 31, 2017.

Name	DIN	Designation
Mr. Shiv Dyal Chugh	00993747	Managing Director

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

During the financial year 2016-17, no Company became or ceased to be the subsidiary/ Associate or joint venture of PHF Leasing Limited.

19. 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 Distt. Court for the recovery of differential interest as per Contract rate against the payment given by the Madhya Pradesh State Electricity Board. The Company has also filed claim of interest for the delayed receipt of principal & interest. The cases are pending for adjudication.

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

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

21. 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.

22. 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.

23. 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.

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

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

- (i) None of the Directors were in receipt of managerial remuneration other than Mr. Shiv Dyal Chugh during the financial year 2016-17.



- (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 number of permanent employees on the rolls of the Company was 30 as on 31-3-2017.

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 2016-17. Mr. Shiv Dyal Chugh has been given Rs.10.80 lakh as remuneration during in Financial Year 2016-17.

None of the Directors were in receipt of any Sitting fees during in Financial Year 2016-17. The Company hereby affirms that the remuneration paid to employees of the Company during the financial year 2016-17 is as per the terms of remuneration policy of the Company.

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

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

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

The company has not issued any equity shares with Differential Rights, Sweat Equity, ESOP etc. During the financial year 2016-17.

26. 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 2016-17 under reviewed.

27. NON-PERFORMING ASSETS

Your Company has made provisions for NPAs as per guidelines of RBI. The company is making earnest efforts through continuous appraisal, timely recovery and sound policy of write-offs for reducing and controlling the NPAs. A transparent and pragmatic recovery policy has been framed to ensure that there is no let up in the recovery and upgradation of the over dues. During the year under review company has made a provision of Rs. 13.22 lakh as per the norms prescribed by RBI. The Company has transferred Rs. 4.37 lakh as provision on standard assets @ 0.35% as per RBI instructions.

28. AUDITORS

M/s Dass & Company, Chartered Accountants, Jalandhar, Statutory Auditors of the company have audited the accounts of the company for the financial year 2016-17 as per the accounting standards followed in India. M/s Dass & Company, Chartered Accountants, Jalandhar shall complete their tenure after the conclusion of this ensuing Annual General Meeting and as per the limits prescribed under the Companies Act, 2013 read with the rules framed thereunder M/s Dass & Company, Chartered Accountants, Jalandhar having Firm Registration Number 000200N be and is hereby proposed to be appointed as Statutory Auditors of the Company for a period of 5 years beginning from the conclusion of this ensuing Annual General Meeting till the conclusion of 30th Annual General Meeting to be held in 2022 (subject to ratification of their appointment at every AGM) at a remuneration to be fixed by the Board of Directors of the Company.

29. 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, 2017. The said report is attached to the Board Report.

30. CUSTOMER GRIEVANCE REDRESSAL

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

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



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

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

31. 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 on the Financial Statements of the Company for the year ended March 31, 2017 as submitted to the Board of Directors at their meeting held on April 27, 2017;
- c) the declaration by the Managing Director 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.

32. MANAGEMENT DISCUSSION & ANALYSIS

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

**33. 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/-

Shiv Dyal Chugh

Managing Director

DIN : 00993747

16, Chotti Baradari, Part-2, Jalandhar

Place : Jalandhar

Date : June 21, 2017

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian economy advanced 6.1 percent year-on-year in the first quarter of 2017, slowing sharply from a 7 percent expansion in the previous period and well below market expectations of 7.1 percent. It is the lowest growth rate since the last quarter of 2014, due to a slowdown in consumer spending and a drop in investment, following the demonetization program started in November of 2016 that removed 86 percent of India's currency in circulation. In addition, the government changed the GDP base year for 2011-2012 from 2004-2005. Considering the April 2016-March 2017 period, the economy advanced 7.1 percent, in line with the official estimate but below 8 percent in the previous year. GDP Annual Growth Rate in India averaged 6.12 percent from 1951 until 2017.

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). It also contributes to nearly 22% of the country's manufacturing GDP. The Two Wheelers segment with 81 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. The sales of PVs, CVs and 2Ws grew by 9.17 per cent, 3.03 per cent and 8.29 per cent respectively, during the period April-January 2017.

Two-wheeler sales last grew in double digits in fiscal 2012, when the increase was 14%. Since then, the growth has been between 3% and 8%. Motorcycle sales in the past four to five years had increased at less than 4%. The government of India aims to maintain this upward growth trend of the automobile industry and has launched several initiatives to achieve the same.

2. FINANCIAL SERVICES SECTOR

India's financial services sector is diversified, comprising of entities such as commercial banks, co-operatives, insurance companies, pension funds, mutual funds, non-banking financial companies and other various entities. As on December 31, 2016, the total managed retail credit (including off balance sheet book) of NBFCs stood at ~Rs. 5.6 trillion, growing year-on-year by about 17.5% in 9M FY 2017 (as against 19.5% in FY 2016 and 14.8% in FY 2015). The total NBFC retail credit including SME exposure stood at about Rs. 6.2 trillion as on December 31, 2016, growing year-on-year by about 19.0% in 9M FY 2017 (as against 21.2% in FY 2016 and 16.2% in FY 2015).



3. OUTLOOK

The parliament took a decisive step towards a possible roll out of Goods and Services Tax (GST) on July 1, 2017 by passing the four related legislations on GST. The state governments will have to pass the GST law in their respective state assemblies. GST will be a single levy to replace multiple central and state taxes to make the country a seamless national market and is expected to boost India's growth rate.

According to RBI, GVA growth is projected to strengthen to 7.4% in 2017-18. Inflation is expected to average 4.5% in the first half and 5 % in the second half of the FY 2017-18.

Domestic sales of passenger vehicles are expected to grow from 2.8 million in 2016 to 9.4 - 13.4 million by 2026. Domestic sales of commercial vehicles are expected to grow from 0.7 million in 2016 to 2.0 - 3.9 million by 2026.

The Budget 2017 proposals include the Government's commitment to double the farmers' income in 5 years. With further boost to the infrastructure and rural sector announced in the Budget 2017, it will contribute in increasing the business of the Company.

4. OPPORTUNITIES, RISKS AND CONCERNS

With positive outlook coming out with the new policies and other enactments initiated by the government, the asset finance sector especially the commercial vehicle finance sector is expecting better growth this year. Scenario is expected to motivate Additional FDI together with better growth in infrastructure sector which will further result in growth of allied sectors like commercial and allied vehicles. These factors will certainly raise demands for asset finance in the coming days. With implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc. considerable growth is expected during the current year. Your company has very well established itself as one of the leading players in the region and carries a brand image of personalized service and a big fleet of satisfied customers. All this is going to help your company to boost up growth.

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



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

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Auditor directly reports to the Audit Committee. He prepares audit plan after discussions with Audit Committee. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively.

6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

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

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



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

7. STAKEHOLDER'S RELATIONS

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

8. STRENGTHENING THE KNOWLEDGE PROPOSITION

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

9. 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 comprising three members, a majority of whom are 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 three 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 such as Debentures, on shore and offshore bonds, 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 and prudent fund management practices, among others. Besides, superior credit rating of the Company's financial instruments enables us to raise funds at competitive rates.

The Company's Asset Liability Management Committee regularly reviews the interest rate and liquidity risks.

We are diversifying our assets portfolio focusing on passenger vehicles and tractors segment. We have also started financing the working capital needs of petrol pumps, tyre dealers, vehicle body builders and workshops forming part of ecosystem of commercial vehicle operations.

The customers of the Company who primarily are SRTOs prefer payment of EMIs in cash in view of cash and carry nature of transportation business and their under developed banking habits. As such, demonetization had a temporary impact on the collections of the Company. Due to progressive increase in cash in circulation, near normalcy has now been restored.

In order to mitigate cash management risk associated with collection of EMIs, we have initiated steps for on boarding our customers on technology platform. This is a challenge and a long term process as historically our substantial monthly collections are in the form of cash due to the underdeveloped banking habits of our customers. We ensure efficient and secured collection across all our branches 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.

**10. IT SUPPORT**

During FY 2016-17, the Company stabilized its Transactional systems and made significant progress towards its goal of total automation of all its business processes. At PHF Leasing there is emphasis on continual improvement and upgradation of systems and the underlying processes.

11. ENVIRONMENTAL PROTECTION

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

12. COMPLIANCE

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

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

13. 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/-

Shiv Dyal Chugh

Managing Director

DIN : 00993747

Place : Jalandhar

Date : June 21, 2017



CORPORATE GOVERNANCE REPORT

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2017)

The Report for the financial year ended March 31, 2017 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.

1. 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.

2. ETHICS/GOVERNANCE POLICIES

The Company, strive to conduct its business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner.

3. BOARD OF DIRECTORS:

a). COMPOSITION:

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 and CEO, 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.

b). 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 Directors are also provided the facility of video conferencing to enable them to participate effectively in the Meeting(s), as and when required.

The Board evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders value.

During the year under review, Six meetings of the Board of Directors were held on April 30, 2016, May 28, 2016, August 20, 2016, October 08, 2016, December 03, 2016 and February 11, 2017. The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by Regulation 25 of the Listing Regulations as of March 31, 2017, 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:

3. 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 2016-2017 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		Directorships in other Public Ltd. Companies	*Membership / Chairmanship of Committees (including Company)		Whether attended the last AGM held on September 17, 2016
	Held	Attended		Director	Chairman	
Mr. Subhash Sikka Chairman, Non-Executive & Independent Director DIN: 0001871492	6	6	-	1	1	YES
Mr. Shiv Dyal Chugh Managing Director Executive & Non Independent DIN: 0000993747	6	6	4	4	1	YES
Mrs. Neelam Kohli Non-Executive & Independent Director DIN: 0002628811	6	6	-	1	1	YES
Mr. Rohin Chugh Non-Executive Non-Independent DIN: 0001519724	6	6	1	1	1	YES
Mr. Chandan Chugh Non-Executive Non-Independent DIN: 0001519390	6	6	2	-	-	YES
Mr. J.S Makkar Non-Executive Non-Independent DIN: 0001543332	6	6	1	1	1	YES

Note: *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.

*During the Current Financial Year, Mr. Shiv Dyal Chugh was re-appointment as Managing Director with effect from August 01, 2017 for 5 Years.



3. 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, 2017, 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, 2016, August 20, 2016 , October 08, 2016 and February 11,2017 during the year under review and the number of meetings attended by each member during the year ended March 31, 2017 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.

4. 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 one time viz. October 07, 2016 and during the year under review and the number of meetings attended by each member during the year ended 31st March, 2017 is as follows:



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

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 CEO, Key Managerial Personnel and Senior Management Personnel.



5. INVESTOR GRIEVANCE COMMITTEE/STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Investor Grievance Committee/Stakeholders Relationship Committee met two times viz. April 30, 2016 and October 8, 2016 during the year under review and the number of meetings attended by each member during the year ended 31st March, 2017 is as follows:

Name of Member	Designation	No of Meetings	
		Held	Attended
Mr. Rohin Chugh,	Chairman, (Non Executive Director)	1	1
Mr. Chandan Chugh,	Member, (Non Executive Director)	1	1
Mr. Subhash Chander Sikka,	Member, (Independent Director)	1	1

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

The Compliant Status during previous year was as follows:

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

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

Name of Director	Chandan Chugh
Designation	Non- Executive Non -Independent
Date of Appointment	30/09/2000
Expertise in NBFC Functional Areas	More than 16 Years
Shareholding in PHF Leasing Limited	20000 Shares
Directorships held in other companies	PHF Finance Limited PHF Food Limited



THE DETAILS OF SITTING FEES/REMUNERATION PAID TO THE DIRECTORS DURING THE FINANCIAL YEAR 2016 - 17 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/-

6. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings are given below

Financial Year	Date of AGM	Time	Location of Meeting	No. of Special Resolutions
2015-16	September 17, 2016	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	2
2014-15	September 05, 2015	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	3
2013-14	July 25, 2014	04:00 PM	Hotel Sekhon Grand, G. T. Road, Jalandhar	7

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 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.

2) During year 2014-15:

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

**3) During year 2013-14:**

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

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

7. DISCLOSURES:**RELATED PARTY TRANSACTIONS:**

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

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

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



9. GENERAL SHAREHOLDERS' INFORMATION

1) Annual General Meeting:

Date : August 11, 2017

Time : 04.00 P.M.

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

2) Financial Calendar:

April 01, 2016 to March 31, 2017

Adoption of Quarterly Results Ended	In the month of (tentative)
June 30, 2016	August 20, 2016
September 30, 2016	October 8, 2016
December 31, 2016	February 11, 2017
March 31, 2017	April 29, 2017

3) Date of Book Closure:

From Thursday, August 10, 2017 to Friday, August 11, 2017 (both days inclusive)

4) Listing on Stock Exchanges:

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

Your company has decided in its board meeting held on dated October 8, 2016 vide its resolution no 9 to Re-listed its Equity shares on Metropolitan Stock Exchange of India Limited and get the listed status of the company and for this purpose the company is taking approval from its members for Relisting of its equity shares as per the extent norms or which may be prescribed by SEBI and subject to such approvals and compliances as may be required.



5) Registrars and Share Transfer Agents:

Skyline Financial Services Private Limited

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

Phase - I,

New Delhi - 110 020

Fax : 011-26812682

Email us at: admin@skylinerta.com or

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

6) Category wise distribution of Equity shareholding as at March 31, 2017 :

	Category	Number of Shares Held	Percentage of Shareholding (%)
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
a)	Individuals/ Hindu Undivided Family	2080810	69.64
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
	Sub-Total (A) (1)	2080810	69.64
(2)	Foreign		
a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0
b)	Bodies Corporate	0	0
c)	Institutions	0	0
d)	Any Other (specify)	0	0
	Sub-Total (A) (2)	0	0
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	2080810	69.64



(B)	Public shareholding		
(1)	Institutions		
a)	Mutual Funds	0	0
b)	Banks/Financial Institutions	0	0
c)	Central Government/ State Government	0	0
d)	Venture Capital Funds	0	0
e)	Insurance Companies	0	0
f)	Foreign Institution Investors	0	0
g)	Foreign Venture Capital Investors	0	0
h)	Any Other (Specify)	0	0
	Sub-Total (B)(1)	0	0
(2)	Non-institutions		
a)	Bodies Corporate	0	0
b)	Individuals -		
	i) Individual shareholders holding nominal share capital up to Rs.1 lakh.	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	0	0
c)	Non Resident Indians	0	0
c-i)	Public Trusts	0	0
c-ii)	Corporate Bodies-OCB	0	0
c-iii)	Intermediary/Other Depository A/C	0	0
c-iv)	Hindu Undivided Family	0	0
c-v)	Clearing member /House	0	0
c-vi)	Qualified Foreign Institution Investors-Individual	0	0
c-vii)	Qualified Foreign Institution Investors-Corporate	0	0
	Sub-Total (B)(2)	0	0
	Total Public Shareholding (B)= (B)(1) +(B)(2)	0	0
	TOTAL (A)+(B)	0	0
(C)	Other than promoters	906990	30.36
(D)	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL (A)+(B)+(C)	2987800	100.00



7) Distribution of shareholding as on March 31, 2017:

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% of Total Number	Share or Debenture holding Amount	% of Total Amount
Upto 5000	217	47.90	915700	3.06
5001 to 10000	136	30.02	1278000	4.28
10001 to 20000	42	9.27	609000	2.04
20001 to 30000	10	2.21	272000	0.91
30001 to 40000	9	1.99	352200	1.18
40001 to 50000	9	1.99	445000	1.49
50001 to 100000	10	2.21	717000	2.40
100001 & Above	20	4.42	25289100	84.64
Total	453	100.00	29878000	100.00

* The total number of Shareholders, i.e., 453 also includes the Shareholders with more than 1 Folio / Client ID.

8) **Disclosure of accounting treatment:**

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

9) **Disclosure of Risk management:**

The Company has initiated the risk assessment and minimization procedure.

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

Your Company has not issued any ADRs, GDRs, warrants or any convertible instruments during the financial year ended March 31, 2017.

11) **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

Ph: 0181-4639903-06

Email: phf_leasingltd@yahoo.co.in



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

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

I, Shiv Dyal Chugh, Managing Director of the Company hereby certify that all Board of Directors of the Company and the Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by Board of Directors and Senior Management the of the company for the financial year ended March 31, 2017.

For and on behalf of the Board

For PHF Leasing Limited

Sd/-

Shiv Dyal Chugh
Managing Director
DIN: 00993747
16, Chotti Baradari, Part-2, Jalandhar.

Place: Jalandhar

Date: June 21, 2017



CERTIFICATION BY MANAGING DIRECTOR FOR FINANCIAL YEAR 2016-17

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

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

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

For and on behalf of the Board
For PHF Leasing Limited

Sd/-
Shiv Dyal Chugh
Managing Director
DIN: 00993747
16, Chotti Baradari, Part-2, Jalandhar.
Place: Jalandhar
Date: June 21, 2017



Dinesh Gupta
B.Com, LLB, FCS

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

The Members
PHF LEASING LIMITED
923, G.T. Raod, Jalandhar

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

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

For Dinesh Gupta & Co.
Company Secretaries

Sd/-

Dinesh Gupta (Partner)
FCS 3462; C. P. No.: 1947
Place: Jalandhar
Dated: June 15, 2017



Dinesh Gupta
B.Com, LLB, FCS

DINESH GUPTA & COMPANY
COMPANY SECRETARIES

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

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

I have examined the compliance of conditions of Corporate Governance by PHF Leasing Limited, as per the Clause 49 of the Listing Agreement ('Listing Agreement') and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) as stipulated in Regulation 15(2) of the Listing Regulations, for the financial year ended on March 31, 2017.

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

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

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

For Dinesh Gupta & Co.
Companies Secretaries

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

Place: Jalandhar
Date: June 15, 2017



Dinesh Gupta
B.Com, LLB, FCS

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

FORM NO. MR-3

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 2016-17**

The Members
PHF LEASING LIMITED
923, G.T. Raod, Jalandhar

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

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

Based on our verification of the PHF Leasing Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;

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

- a. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - c. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (vi) Reserve Bank of India Act, 1934 and directions, regulations and circulars issued therein relating to Non Banking Finance Companies.



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

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

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

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

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

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

The Company is currently under Dissemination Board of Bombay Stock Exchange (BSE) after the exit orders have been passed for Ludhiana Stock Exchange & Delhi Stock Exchange. The company has applied for re-listing of its equity shares with Metropolitan Stock Exchange of India Limited as per the terms and conditions as may be laid down by Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India Act, 1992.

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

For Dinesh Gupta & Co.
Company Secretaries

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

Place: Jalandhar
Dated: June 15, 2017



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2017

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Financing	64990	77.62%

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



IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	"No. of Shares held at the beginning of the year [As on 31-March-2016]"				"No. of Shares held at the end of the year [As on 31-March-2017]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	2,081,910	2,081,910	69.68%	-	2,080,810	2,080,810	69.64%	-0.05%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	54,600	54,600	1.83%	-	-	-	0.00%	-100.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	2,136,510	2,136,510	71.51%	-	2,080,810	2,080,810	69.64%	-2.61%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	2,136,510	2,136,510	71.51%	-	2,080,810	2,080,810	69.64%	-2.61%



B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholder holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Hindu undivided family	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Other than Promoters	-	851,290	851,290	28.49%	-	906,990	906,990	30.36%	6.54%
Grand Total (A+B+C)	-	2,987,800	2,987,800	100.00%	-	2,987,800	2,987,800	100.00%	0.00%



(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Jatinder Singh Makkar	10,000	0.33%	0	10,000	0.33%	0	0.00%
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	50,000	1.67%	0	50,000	1.67%	0	0.00%
5	Guridal Singh Gill	55,800	1.87%	0	-	0.00%	0	-100.00%
6	Seth Ram Chand S D Chugh (HUF)	566,730	18.97%	0	566,730	18.97%	0	0.00%
7	Shiv Dyal Chugh	1,329,380	44.49%	0	1,384,080	46.32%	0	4.11%
8	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	JATINDER SINGH MAKKAR						
	At the beginning of the year	3/31/2016		10,000	0.33%	10,000	0.33%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2017		10,000	0.33%	10,000	0.33%

Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
2	CHANDAN CHUGH						
	At the beginning of the year	3/31/2016		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	3/31/2017		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
3	ROHIN CHUGH						
	At the beginning of the year	3/31/2016		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	3/31/2017		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
4	JYOTSNA						
	At the beginning of the year	3/31/2016		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	3/31/2017		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
5	GURDIAL SINGH GILL						
	At the beginning of the year	3/31/2016		55,800	1.87%	55,800	1.87%
	Changes during the year	10/8/2016	Transfer	(55800)	-1.87%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2017		-	0.00%	-	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
6	SETH RAM CHAND S D CHUGH (HUF)						
	At the beginning of the year	3/31/2016		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	3/31/2017		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
7	HARIPAL SINGH GILL						
	At the beginning of the year	3/31/2016		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	3/31/2017		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
8	SHIV DYAL CHUGH						
	At the beginning of the year	3/31/2016		1,329,380	44.49%	1,329,380	44.49%
	Changes during the year	2/11/2017	Transfer	54,700	1.83%	1,384,080	46.32%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2017		1,384,080	46.32%	1,384,080	46.32%



(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
1	SHANKUTLA DEVI						
	At the beginning of the year	3/31/2016		70,000	2.34%	70,000	2.34%
	Changes during the year		Transfer	-	0.00%	70,000	2.34%
	At the end of the year	3/31/2017		70,000	2.34%	70,000	2.34%
2	GILL JASPAL						
	At the beginning of the year	3/31/2016		-	0.00%	-	0.00%
	Changes during the year	10/8/2016	Transfer	55,800	1.87%	55,800	1.87%
	At the end of the year	3/31/2017		55,800	1.87%	55,800	1.87%
3	CHAMAN LAL						
	At the beginning of the year	3/31/2016		50,000	1.67%	50,000	1.67%
	Changes during the year			-	0.00%	50,000	1.67%
	At the end of the year	3/31/2017		50,000	1.67%	50,000	1.67%
4	SUMAN						
	At the beginning of the year	3/31/2016		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	40,000	1.34%
	At the end of the year	3/31/2017		40,000	1.34%	40,000	1.34%
5	KARAN SHARMA						
	At the beginning of the year	3/31/2016		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	40,000	1.34%
	At the end of the year	3/31/2017		40,000	1.34%	40,000	1.34%
6	JAGIR KAUR						
	At the beginning of the year	3/31/2016		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	40,000	1.34%
	At the end of the year	3/31/2017		40,000	1.34%	40,000	1.34%
7	JASPAL SINGH						
	At the beginning of the year	3/31/2016		32,000	1.07%	32,000	1.07%
	Changes during the year			-	0.00%	32,000	1.07%
	At the end of the year	3/31/2017		32,000	1.07%	32,000	1.07%



8	NITIKA						
	At the beginning of the year	3/31/2016		30,000	1.00%	30,000	1.00%
	Changes during the year			-	0.00%	30,000	1.00%
	At the end of the year	3/31/2017		30,000	1.00%	30,000	1.00%
9	SHIVALI BANSAL						
	At the beginning of the year	3/31/2016		27,600	0.92%	27,600	0.92%
	Changes during the year			-	0.00%	27,600	0.92%
	At the end of the year	3/31/2017		27,600	0.92%	27,600	0.92%
10	HARLEEN BANSAL						
	At the beginning of the year	3/31/2016		14,700	0.49%	14,700	0.49%
	Changes during the year			-	0.00%	14,700	0.49%
	At the end of the year	3/31/2017		14,700	0.49%	14,700	0.49%

(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
1	SHIV DYAL CHUGH						
	At the beginning of the year	3/31/2016		1,329,380	44.49%	1,329,380	44.49%
	Changes during the year	2/11/2017	Transfer	54,700	1.83%	1,384,080	46.32%
	At the end of the year	3/31/2016		1,384,080	46.32%	1,384,080	46.32%



V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amt. Rs./Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	39,093,224.00	-	71,134,899.00	110,228,123.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,058,302.00	-	4,260,567.00	13,318,869.00
Total (i+ii+iii)	48,151,526.00	-	75,395,466.00	123,546,992.00
Change in Indebtedness during the financial year				
* Addition	4,652,607.00	-	-	4,652,607.00
* Reduction	21,656,933.00	-	30,124,279.00	51,781,212.00
Net Change	(17,004,326.00)	-	(30,124,279.00)	56,433,819.00
Indebtedness at the end of the financial year				
i) Principal Amount	22,439,369.00	-	40,574,167.00	63,013,536.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,707,831.00	-	4,697,020.00	13,404,851.00
Total (i+ii+iii)	31,147,200.00	-	45,271,187.00	76,418,387.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Sh. Shiv Dyal Chugh		(Rs./Lac)
	Designation	Managing Director		
1	Gross salary	1080000.00		1080000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		-
	(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	172066.00		172066.00
	Total (A)	1252066.00		1252066.00
	Ceiling as per the Act	Rs. 60 Lakhs		Rs. 60 Lakhs



B. Remuneration to other Directors

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

Note: Company has not paid any remuneration to any other directors during the financial year ended on 31.03.2017.

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**AUDITOR'S REPORT**

To
The Members
PHF LEASING LIMITED, JALANDHAR

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of M/s PHF Leasing Limited. (the company), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the other Legal and Regulatory Requirements

1. 1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



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

“Annexure A” to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The management at reasonable intervals has physically verified the fixed assets and no material discrepancies were noticed on such physical verification.
 - c) The title deeds of immovable properties are held in the name of the company.
- ii. The Company is a Non Banking Financial company engaged in loans and advances. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans and has not made any investment covered under the provisions of section 185 and 186 of the Companies Act, 2013.
- v. On the examination of records produced before us, the Company has complied with the rules and regulations of Reserve Bank of India with regard to acceptance of deposits from the public during the year under audit.
- vi. The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii.
 - a) In our opinion and according to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax, provident fund, employees' state insurance, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amount payable in respect of Income tax, provident fund, employees' state insurance, service tax, cess and other material statutory which are in arrears as on 31/03/2017 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 15th May 1998.

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

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

**Place : Jalandhar City
Dated : June 21, 2017**



BALANCE SHEET AS AT 31ST MARCH, 2017

(Figure in Rs.)

Particulars		Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1.		2.	3.	4.
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	2	29878000	29878000
	(b) Reserve and Surplus	3	21181844	20651199
2	Non-current liabilities			
	(a) Long Term Borrowings	4	41693323	53177155
	(b) Deferred tax liabilities (Net)		41180	0
	(c) Long Term Provisions	5	1758929	1686986
3	Current liabilities			
	(a) Short Term Borrowings	6	8707831	18256243
	(b) Other Current Liabilities	7	59472334	61687081
	(c) Short Term Provisions	8	149000	242000
	TOTAL		162882441	185578664
II.	ASSETS			
	Non-current assets			
1	(a) Fixed Assets			
	Tangible assets	9	12923917	13364985
	(b) Non Current Investments	10	5259482	7200482
	(c) Deferred tax Asset (Net)		0	1975
	(d) Long Term Loans and Advances	11	24774036	32178600
	(e) Other Non Current Assets	12	2613650	666411
2	Current assets			
	(a) Cash and Cash Equivalents	13	9848199	15487244
	(b) Short Term Loans and Advances	14	104393104	113361981
	(c) Other Current Assets	15	3070053	3316986
	TOTAL		162882441	185578664

Significant Accounting Policies and Notes to Accounts 1 to 22

Schedule as per RBI Requirement 23

For and on behalf of the Board of Directors

PHF LEASING LIMITED

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

Sd/-
J.R. GUPTA
PARTNER
M.NO. 011910
Place : Jalandhar
Date : June 21, 2017

Sd/-
Shubhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director



CASH FLOW STATEMENT

Particulars	As at 31 March 2017		As at 31 March 2016	
A. Cash Flow from operating Activities				
Profit before Tax	722800		992845	
Add.: Financial Expenses	12821439	13544239	16831872	17824717
Add.: Depreciation	727041		739010	
Add.: Profit/Loss on sale of assets	-4950		0	
Add.: Profit/Loss on sale of securities	-59000		0	
Add.: Provision for Non-Performing Assets	54758		178378	
Add.: Provision for Standard Assets	17185	735034	9930	927318
Less:				
Dividend Received	-16379		-16379	
Interest Received on Government Securities	-817287		-979530	
Tax Paid	-570273	-1403939	-1065956	-2061865
Operating Profit before Working Capital Charges		12875334		16690170
Working Capital Changes :				
Change in Long Term Advances	7404564		9683528	
Change in Non-Current Assets	-1947239		565753	
Change in Short Term Advances	8968877		14169337	
Change in Other Current Assets	-240783		-511804	
Change in Current Liabilities	-425893	13759526	15198249	39105063
		26634860		55795233
Less: Financial Expenses		-13737304		-14074503
Cash Flow from Operating Activities		12897556		41720730
B. Cash from Investing Activities				
Purchase of Fixed Assets	-289023		-141708	
Change in Investments	1941000		0	
Dividend & Interest Received	833666		995909	
Sale of Fixed Assets	10000		0	
Cash Flow from Investing activities		2495643		854201
C. Cash Flow from Financing Activities				
Change in Share Capital	0		0	
Change in Long Term Borrowings	-11483832		-4715851	
Change in Short Term Borrowings	-9548412		-32865595	
Dividend & Dividend Tax paid	0		-3236450	
Cash Flow from Financing Activities		-21032244		-40817896
Net Increase/(decrease) in Cash/Cash Equivalents (A+B+C)		-5639045		1757035
Cash & Cash Equivalents at the beginning of the year		15487244		13730209
Cash & Cash Equivalents at the end of the year		9848199		15487244

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

Sd/-

J.R. GUPTA

PARTNER
M.NO. 011910

Place : Jalandhar

Date : June 21, 2017

For and on behalf of the Board of Directors

PHF LEASING LIMITED

Sd/-

Shubhash Chander Sikka

Chairman

Sd/-

Shiv Dyal Chugh

Managing Director



PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Figure in RS)

Particulars		Refer Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1.		2.	3.	4.
I.	Interest	16	32723274	37508358
II.	Other Income	17	341692	465427
Total Income			33064966	37973785
III.	Expenses:			
i.	Employee benefits expense	18	8466111	8894941
ii.	Finance costs	19	12821439	16831872
iii.	Depreciation and amortization expense	9	727041	739010
iv.	Other expenses	20	9030141	9617796
v.	Provision & Write off	21	1297434	897321
Total Expenses			32342166	36980940
IV.	Profit before exceptional and extraordinary items and tax		722800	992845
V.	Exceptional items		0	0
VI.	Profit before extraordinary items and tax		722800	992845
VII.	Extraordinary Items		0	0
VIII.	Profit before tax		722800	992845
IX.	Tax expense:			
	(1) Current tax		(149000)	(242000)
	(2) Income tax adjustment of previous years		0	(263316)
	(3) Deferred tax		(43155)	(67275)
X.	Profit (Loss) for the period from continuing operations		530645	420254
XI.	Profit (Loss) for the period		530645	420254
XII.	Earnings per equity share:			
	(1) Basic		0.18	0.14
	(2) Diluted		0.18	0.14

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

For and on behalf of the Board of Directors

PHF LEASING LIMITED

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

Place : Jalandhar
Date : June 21, 2017

Sd/-
Shubhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director

**NOTE--1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****As on 31st March 2017****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) Income from money Transfer/Foreign Exchange income has been accounted on accrual basis.
- (iii) Overdue Income is accounted for as and when it is recovered.
- (iv) Income on NPA assets is recognized as and when realized as recommended in para 3 of NBFCs Prudential Norms (RB) directions, 2007 of Reserve Bank of India.
- (v) Dividend Income is recognized on declaration/receipt of dividend.
- (vi) Income from Bad debts recovered is recognized as and when realized.

1.7. PROVISIONS FOR NON PERFORMING ASSETS :-

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

1.8. PROVISIONS FOR STANDARD ASSETS:-

Provision for Standard Assets has been made @ 0.35% of the Standard Assets as prescribed in RBI circular No. DNBS.PD.CC.No.002/03.10.001/2014-15 dated 10th Nov. 2014

1.9. 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 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs.10/- each	4500000	45000000	4500000	45000000
Issued Equity Shares of Rs.10/- each	3002300	30023000	3002300	30023000
Subscribed & fully Paid up Equity Shares of Rs.10/- each	2987800	29878000	2987800	29878000
TOTAL	2987800	29878000	2987800	29878000

(a) Reconciliation of number of shares

Particulars	Equity Shares			
	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2987800	29878000	2987800	29878000
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Any other movement (forfeited)	0	0	0	0
Shares outstanding at the end of the year	2987800	29878000	2987800	29878000

(b) Rights, preferences and restrictions attached to shares

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

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

Name of Shareholder	Equity Shares			
	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Shiv Dyal Chugh	1384080	46.32	1329380	44.49
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 2017	As at 31 March 2016
a. General Reserve		
Opening Balance	2900000	2900000
(+) Current Year Transfer	0	0
(-) Written Back in Current Year	0	0
Closing Balance	2900000	2900000
b. Statutory Reserve Fund		
Opening Balance	11276400	11192300
(+) Current Year Transfer	106200	84100
(-) Written Back in Current Year	-	-
Closing Balance	11382600	11276400
c. Other Reserves (Share Forfeited reserve)		
Opening Balance	38425	38425
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	38425	38425
d. Surplus in statement of Profit and Loss		
Opening balance	6436374	6100220
(+) Net Profit/(Net Loss) For the current year	530645	420254
(-) Transfer to Statutory Reserves	106200	84100
Closing Balance	6860819	6436374
TOTAL	21181844	20651199

NOTE NO. 4 - LONG TERM BORROWINGS

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
Debentures	14496000	17500000
Secured against movable properties in the form of floating charge excluding investments purchased. The purpose of statutory liquidity requirements subject to prior charge created in favour of company's banker on the HP/HYP. of documents of the company. TERMS OF REPAYMENT (as per annexure 'A' attached below)		
TERM LOAN		
MIDLAND FINANCIERS (DOABA) LTD.	8714176	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)		
TOTAL	23210176	17500000
Unsecured		
Deposits		
(i) Fixed Deposits (Director & Relatives)	11578075	8490057
(ii) Fixed Deposits (Others)	6905072	27187098
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.		
	18483147	35677155
TOTAL	41693323	53177155



NOTE NO. 5 - LONG TERM PROVISIONS

Particulars	As at 31 March 2017	As at 31 March 2016
(I) Provisions		
Contingent Provision for Standard Assets	437320	420135
Provision for doubtful loans and advances	1321609	1266851
TOTAL	1758929	1686986

NOTE NO. 6 - SHORT TERM BORROWINGS

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
(A) WORKING CAPITAL LOAN		
(From Capital Small Finance Bank Ltd.)	8707831	4055224
SECURED AGAINST HYP. DOCUMENTS, PROMISSORY NOTES AND EQUITABLE MORTGAGE OF RESIDENTIAL HOUSE OF DIRECTORS AT CHUGH COTTAGE, URBAN ESTATE PH-1, JALANDHAR		
	8707831	4055224
Unsecured- Deposits		
(i) Fixed Deposits (Director & Relatives)	0	2154124
(ii) Fixed Deposits (Others)	0	12046895
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.		
	0	14201019
TOTAL	8707831	18256243

NOTE NO. 7 - OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Current maturities of debentures	635000	17288000
(b) Interest accrued and due on debentures	5453245	8911455
(c) Current maturities of deposits	19841441	21256725
(d) Income accrued and due on deposits	4305371	4260567
(e) Unpaid matured deposits and interest accrued thereon	2641228	0
(f) Unpaid matured debentures and interest accrued thereon	1855124	396847
(g) Unpaid dividend (Refer note (a) below)	21728	21728
(h) Current Payment of Term Loan	5455496	0
(h) Other payables :-		
Audit Fees	52500	52000
Salary	406519	452527
Leave Encashment	313503	329758
Bonus	271700	325400
E.S.I. Contribution	20968	21693
EPF/FP Contribution	66321	143289
Sundry Creditors	1506376	893318
Cheque Issued but not yet debited	16364728	7155595
Legal Expenses	42250	42100
Tax deducted at source	218836	131017
Telephone Expenses	0	5062
TOTAL	59472334	61687081

(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 2017	As at 31 March 2016
(I) Provisions		
Provision for Dividend	0	0
Provision for Dividend Tax	0	0
Provision for Income Tax	149000	242000
TOTAL	149000	242000

NOTE NO. 10 - NON CURRENT INVESTMENTS

Particulars	As at 31 March 2017	As at 31 March 2016
OTHER (VALUE AT COST)		
(A) Investments in Government or Trust securities		
i) 7.46% GOI Securities 2017	294300	294300
ii) 6.01% GOI Securities 2028	602100	602100
iii) 6.30% GOI Securities 2023	879159	879159
iv) 5.69% GOI Securities 2018	1585383	1585383
v) 7.59% GOI Securities 2018	0	1941000
vi) 6.05% GOI Securities 2019	353200	353200
vii) 5.69% GOI Securities 2018	359200	359200
(B) Investment in Equity instruments -		
i) Capital Local Area Bank Ltd.	186140	186140
(C) Investments in debentures or bonds		
i) 8.81% TNEB Bonds Series 3/2008-09	1000000	1000000
TOTAL	5259482	7200482
Less : Provision for diminution in the value of Investments	0	0
TOTAL	5259482	7200482

Non Current Investments	As at 31 March 2017	As at 31 March 2016
Aggregate amount of quoted investments	4073342	6014342
Aggregate amount of unquoted investments	1186140	1186140



NOTE NO. 9 : FIXED ASSETS

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block			
	Balance as at 1 April 2016	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 Mar. 2017	Balance as at 1 April 2016	Depreciation charge for the year	Adjustment as per Companies Act 2013	On disposals	Balance as at 31st Mar. 2017	Balance as at 1 April 2016	Balance as at 31 Mar. 2017
a) Tangible Assets (Not Under Lease)												
Land	3287094	0	0.00	0	3287094	0	0.00	0.00	0	0	3287094	3287094
Building	7764952	0	0.00	0	7764952	376781	123149	0.00	0	499930	7388171	7265022
Furniture and Fixtures	2950643	0	0.00	0	2950643	2258637	95062	0.00	0	2353699	692006	596944
Vehicles	1350006	0	0.00	0	1350006	610494	169244	0.00	0	779738	739512	570268
Computers	1423114	128750	0.00	0	1551864	1184356	134431	0.00	0	1318787	238758	233077
Electrical Equipment	627920	111000	0.00	0	738920	313855	59372	0.00	0	373227	314065	365693
Office Equipment	2861194	49273	0.00	61000	2849467	2155815	145783	0.00	57950	2243648	705379	605819
Total (i)	20264923	289023	0.00	61000	20492946	6899938	727041	0.00	57950	7569029	13364985	12923917

As Per Our Report Of Even Date

FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

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

Place : Jalandhar
Date : June 21, 2017

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

Sd/-
Shubhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director



NOTE NO. 11 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2017		As at 31 March 2016	
A. Loans and Advances				
1) Capital Advances	833750		50000	
2) Security Deposits	40000		50000	
3) Loans & advances to related parties	0.00	873750	0.00	100000
4) Other Loans & Advances				
a) Loan & Advances against Hypothecation of Assets				
(i) Secured Considered good	19590782		26581877	
(ii) Doubtful	4309504	23900286	5496723	32078600
Total		24774036		32178600

NOTE NO. 12 - OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2017		As at 31 March 2016	
Income tax paid for earlier years		894517		72278
Interest Accrued on MPSEB Bonds		594133		594133
FDLG with Midland		1125000		0
TOTAL		2613650		666411

NOTE NO. 13 - CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2017		As at 31 March 2016	
a. Balances with banks in current accounts		2931530		6626147
b. IDBI unpaid dividend A/c - 2010-11		1260		1260
c. IDBI unpaid dividend A/c - 2011-12		1280		1280
d. IDBI unpaid dividend A/c - 2012-13		1890		1890
e. IDBI unpaid dividend A/c - 2013-14		2340		2340
f. IDBI unpaid dividend A/c - 2014-15		14958		14958
g. Cheques, drafts on hand		756687		2832620
h. Cash on hand		2220125		2088620
i. FDRs (more than 12 months)		3918129		3918129
TOTAL		9848199		15487244



NOTE NO. 14 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2017		As at 31 March 2016	
a. Loans and Advances				
a) Loan against Hypothecation of Assets secured considered good		102531138		112291242
b. Others (Specify Nature)				
Advances -- Unsecured considered good	1811966		827913	
Staff Advance	0		212826	
Loan Against FDR's -- Secured	50000	1861966	30000	1070739
TOTAL		104393104		113361981

NOTE NO. 15 - OTHER CURRENT ASSETS

Particulars	As at 31 March 2017		As at 31 March 2016	
Others (Specify Nature)				
Commission Receivable	0		1736	
Money Transfer Fund	17133		10337	
Prepaid Expenses	167925		170184	
Stationery Stock	0		22170	
Advance Income Tax	570273		1057989	
Interest Accrued on Bank FDR's	2236330		1819203	
Interest Accrued on Bonds & GOI Securities	78392	3070053	235367	3316986
TOTAL		3070053		3316986

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 2017	For the year ended 31 March 2016
INTEREST:		
Loan & Advances	31630257	36424531
Interest on SLR Securities	353811	505612
Interest on Bank FDR's	463476	473918
Interest Earned (Others)	179800	37788
(A)	32627344	37441849
Other Financial Services		
Commission from money transfer	14576	16142
Foreign Exchange Income	81354	50367
(B)	95930	66509
TOTAL (A+B)	32723274	37508358

NOTE NO. 17 - OTHER INCOME

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Other Income:		
Dividend	16379	16379
Interest Deduction on Pre-matures Deposit	57670	60736
Bad Debts Recovered	135952	326350
Misc. Income	23558	1300
Interest on refund of Income Tax	0	60662
Profit on sale of fixed assets	4950	0
Profit on redemption of securities	59000	0
Interest on loan agt. fdr	44183	0
TOTAL	341692	465427

NOTE NO. 18 - EMPLOYEE EXPENSES

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Salaries and incentives	6293375	7260524
(b) Contributions to -		
(i) Provident Fund, ESI Fund, Group Insurance	757668	772235
(c) Gratuity fund contributions	268981	308018
(d) Staff welfare expenses	181430	221344
(d) Medical Reimbursement	94474	48232
(f) Travelling & Conveyance Allowance	870183	284588
TOTAL	8466111	8894941



NOTE NO. 19 - FINANCE COSTS

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2017
Interest Expenses on Fixed Deposit	6975319	9010182
Interest Expenses on Debentures	4038593	5611422
Bank Interest & Charges	1136779	2210268
Interest paid on ICD	159201	0
Interest paid on Term Loan	382172	0
Document & Processing Charges	129375	0
TOTAL	12821439	16831872

NOTE NO. 20 - OTHER EXPENSES

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2017
Advertisements	50547	107176
AGM Expenses	52690	124988
Annual Maintenance Cost	2510	4995
Car Expenses	208489	197384
Credit Rating Expenses	0	57000
Donation	0	11000
Electricity & Water Charges	412171	475652
Entertainment	62556	69890
Festival Expenses	151064	124811
General Expenses	231583	226273
Insurance Premium	233722	234708
Legal & Professional Charges	347689	481939
Loss on Sale of Repossessed Vehicles	1752031	2137605
Membership & Subscription Fees	10384	21133
Newspapers & Magazines	11555	12815
Payment to Auditors	57500	57000
Postage Expenses	34500	25600
Printing and Stationery	239729	307578
Rate and Taxes	59083	74915
Recovery and Collection Charges	3332161	2965511
Rent Account	689338	602033
Repair & Maintenance		
-Building Repair	42000	80500
-Other Repair	273700	331895
Rebate & Discount	51429	162098
Software Development Expenses	50000	135000
Scooter/Motor cycle Expenses	24470	41984
Telephone & Mobile Exp.	546604	439378
Tour & Traveling	102636	106935
TOTAL	9030141	9617796



NOTE NO. 21 - PROVISION AND WRITE OFF

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Bad Debt Written off	1225491	709013
Provision for Non Performing Assets	54758	178378
Provision for Standard Assets	17185	9930
TOTAL	1297434	897321

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 2017	For the year ended 31 March 2016
A. AUDITOR		
i. for audit fees	57500	57000
ii. for company law matters		
iii. for management services		
iv. for taxation matter		
v. for reimbursement of expenses		
TOTAL	57500	57000

As Per Our Report Of Even Date

FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

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

Place : Jalandhar
Date : June 21, 2017

For and on behalf of the Board of Directors

PHF LEASING LIMITED

Sd/-

Shubhash Chander Sikka
Chairman

Sd/-

Shiv Dyal Chugh
Managing Director



Note No. - 22

B. NOTES TO ACCOUNTS**2.1. STATUTORY RESERVE:**

During the year, a sum of Rs 106200/- 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 :-

	FIGURES AS ON 31.3.2017	FIGURES AS ON 31.3.2016
Weighted Average Number of Equity Shares outstanding Nos.	2987800	2987800
Net Profit after tax	530645	420254
Earning per share	0.18	0.14

2.4. DEFERRED INCOME TAX (AS 22)

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

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

	FIGURES AS ON 31.3.2017	FIGURES AS ON 31.3.2016
W.D.V. OF Fixed Assets as per Companies Act, 2013	12923917	13364985
WDV of Fixed Assets as per Income Tax Act	10672668	11435987
Timing Difference	2251249	1928998
Deferred Tax Liability	672448	596060
Deferred Tax asset on account of Tax impact of Long Term capital Loss	76733	76733
Tax impact on Provision for NPA	388806	391458
Tax impact on Standard Asset	130627	129844
Mat Credit	35102	---
Deferred Tax Asset / (Liability)	(41180)	1975



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

Rate of Interest (%)	2017-18	2023-24	TOTAL
10.50 %	635000	0	635000
11.50 %	0	14496000	14496000
TOTAL	635000	14496000	15131000

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

Key Managerial Personnel:

- (i) Mr. Shiv Dyal Chugh - Managing Director

Relatives of Key Managerial Personnel:

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

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

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

Name of Related Party	Description of Relationship	Name of Transactions	Volume of Transactions (Amt. In Rs.)	Outstanding amount as at 31-03-2017 (Amt. In Rs.)	Amount written off or written back (Amt. In Rs.)
Mr. Shiv Dyal Chugh	Key Managerial Personnel	# Remuneration Interest on Fixed Deposit	1080000 172066	210362 37796	Nil Nil
PHF Finance Limited	Enterprises upon which KMP having Significant Influence	ICD Taken ICD Interest Paid	Nil 70450	Nil Nil	Nil Nil
PHF Hire Purchase Limited	Enterprises upon which KMP having Significant Influence	ICD Taken ICD Interest Paid	Nil 20022	Nil Nil	Nil Nil
PHF Investment Limited	Enterprises upon which KMP having Significant Influence	ICD Taken ICD Interest Paid	Nil 41800	Nil Nil	Nil Nil

Remuneration means the Gross Remuneration without any decoctions.



- 2.7. Sundry Creditors include Rs. 210362/- (Previous year Rs Nil) due to directors.
- 2.8. The Company has complied with Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. The Capital Adequacy Ratio as on 31.03.2017 is 35.53% as against minimum of 15%
- 2.9. **Remuneration to Directors**
- | | 2016-17 | 2015-16 |
|---------------------------|----------------|----------------|
| i. Salary to Mg. Director | 1080000 | 1080000 |
| ii. Contribution to PF | 21600 | 21600 |
- 2.10. Interest paid on overdue deposit is accounted for as and when such deposits are renewed.
- 2.11. **Impairment of Assets (AS 28)**
The carrying amounts of assets are reviewed at the balance sheet and tested for impairment. After due consideration of internal and external factors, it is established that the carrying amount of the assets is not less than the recoverable amount of these assets. Hence there is no impairment loss on the assets of the company.
- 2.12. **Capital Advance**
The Company has applied for listing with Metropolitan Stock Exchange of India Ltd. (MSEI) and paid a sum of Rs. 8,33,750/-. Since the application is pending, the payment has been shown as Capital Advance under the head Long Term Loan & Advances as per Note No. 11 of the Balance Sheet.
- 2.13. Provisions for Contingent liability and contingent assets (AS 29)
Contingent Assets
The company had purchased 12 Bonds of Madhya Pradesh State Electricity bonds 1999 worth Rs. 12.00 Lacs on 13.01.2000 whose maturity period expired on 13.01.2007. During the year 2014-15, the Company received Rs. 16,26,786/- which pertain to Principal sum Rs. 12,00,000/- and Rs. 4,26,786/- towards interest calculated @ 7% upto 31.03.2005 and @ 8% for the subsequent period from 01.04.2005 to 13.01.2007 as against contracted rate of 13.70%. The Company has filed recovery Suit against Madhya Pradesh State Electricity Board in Delhi District Court for the recovery of differential interest as per Contract rate and as remitted by the Madhya Pradesh State Electricity Board. The Company has also filed claim of interest for the delayed receipt of principal & interest. The Cases are pending for adjudication.
- 2.14. The details of Specified Bank Notes(SBN) held and transacted during the period from 8th November ,2016 to 30th December,2016 are provided as per table given below:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	7116150	21450	7137600
(+) Permitted receipts	0	5765491	5765491
(-) Permitted payments	0	1227871	1227871
(-) Amount deposited in Banks	7116150	4520375	11636525
Closing cash in hand as on 30.12.16	0	38695	38695

- 2.15. 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 (%)	35.69	32.03
ii)	CRAR - Tier I Capital (%)	35.69	31.77
iii)	CRAR - Tier II Capital (%)	0.30	0.26
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	52.59	72.00
	(b) Outside India		
	(ii) Provisions for Depreciation		
	(a) In India		
	(b) Outside India		
	(iii) Net Value of Investments		
	(a) In India	52.59	72.00
	(b) Outside India		
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance		
	(ii) Add : Provisions made during the year		
	(iii) Less : Write-off / write-back of excess provisions during the year		
	(iv) Closing balance		



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

	Upto 30/31 days	Over 1 month & upto 2 Month	Over 2 month & upto 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	17.46	24.42	20.15	69.25	89.62	184.84	0.00	0.00	405.74
Advances	112.92	108.88	102.28	280.36	439.49	239.00	0.00	0.00	1282.93
Investments	0.00	0.00	0.00	2.94	0.00	22.98	26.67	0.00	52.59
Borrowings	4.23	4.29	4.34	13.38	115.38	87.14	144.96	0.00	373.72

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	0.55	1.78
Provision made towards Income tax	1.49	2.42
Other Provision and Contingencies (with details)	NIL	NIL
Provision for Standard Assets	0.17	0.10

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	142.92
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	35.22%

ii) Concentration of Advances

(Amount in Rs. Lacs)

Total Advances to twenty largest borrowers	147.11
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	11.47%



iii) Concentration of Exposures

(Amount in Rs. Lacs)

Total Exposure to twenty largest borrowers /customers	147.11
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	11.47%

iv) Concentration of NPAs

(Amount in Rs. Lacs)

Total Exposure to top four NPA accounts	22.05
---	-------

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	1.74%
7.	Other personal loans	

d) Movement of NPAs

(Amount in Rs. Lacs)

	Particulars	Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)	2.35%	2.93%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	54.96	52.90
	(b) Additions during the year	28.88	17.07
	(c) Reductions during the year	40.75	15.01
	(d) Closing balance	43.09	54.96
(iii)	Movement of Net NPAs		
	(a) Opening balance	42.29	42.02
	(b) Additions during the year	19.07	14.33
	(c) Reductions during the year	31.48	14.06
	(d) Closing balance	29.88	42.29
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	12.67	10.88
	(b) Provisions made during the year	9.81	6.16
	(c) Write-off / write-back of excess provisions	9.27	4.37
	(d) Closing balance	13.21	12.67

**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, 2017.**

(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	224.39	18.55
: 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	141.69	0.00
(d) Inter- corporate Loans & Borrowing	0.00	0.00
(e) Commercial Paper	0.00	0.00
(f) Public Deposits	328.25	26.41
(g) Other Loans (Specify nature)	0.00	0.00
i) Directors & directors' Relative Deposits	124.46	0.00
ii) Bank Borrowing	87.07	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	328.25	0.00
ASSETS SIDE	AMOUNT OUTSTANDING	
3. Break up of Loans & Advances including bills receivables (other than those included in (4) below :-		
(a) Secured		0.50
(b) Unsecured		18.11
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	1264.31	
(b) Repossessed Assets	0.00	
(iii) Other's Loans counting towards AFC Activities		
(a) Loans where assets have been repossessed		0.00
(b) Loans other than (a) above		0.00



(5) Break up of Investments :-		
CURRENT INVESTMENTS:-		
1. Quoted:-		
(I) Shares	(a) Equity	0.00
	(b) Preference	0.00
(ii) Debentures & Bonds		0.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other (please specify)		0.00
2. Unquoted:-		
(I) Shares	(a) Equity	0.00
	(b) Preference	0.00
(ii) Debentures & Bonds		0.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other (please specify)		0.00
LONG TERM INVESTMENTS		
1. Quoted:-		
(I) Shares	(a) Equity	0.00
	(b) Preference	0.00
(ii) Debentures & Bonds		0.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		40.73
(v) other (please specify)		0.00
2. Unquoted:-		
(I) Shares	(a) Equity	1.86
	(b) Preference	0.00
(ii) Debentures & Bonds		10.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other (FDR with Bank's)		39.18

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

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	1251.60	18.11	1269.71
Total	1251.60	18.11	1269.71



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	52.59	52.59
Total	52.59	52.59

8. Other Information:	Amount (Rs.)
(i) Gross Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	43.09
(ii) Net Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	29.88
(iii) Assets acquired in satisfaction of debt	0.00

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

Sd/-
J.R. GUPTA
PARTNER
M.NO. 011910
Place : Jalandhar
Date : June 21, 2017

For and on behalf of the Board of Directors

PHF LEASING LIMITED

Sd/-
Shubhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director



FINANCIAL HIGHLIGHTS

(Rs. In Lacs or as Indicated)

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Working	2306	2877	3432	3433	2864	2647	2286
Fixed Assets (Net)	129	134	139	148	140	129	116
Investments	92	111	111	119	116	116	118
Gross Loans & Advances	1508	1775	2067	2069	1821	1604	1376
Net Loans & Advances	1264	1444	1673	1648	1454	1303	1123
Current Assets	144	167	173	184	176	140	175
Deposits & Debentures	798	1102	1365	1364	1196	1043	910
Current Liabilities & Provisions	318	232	161	187	224	198	193
Equity Share Capital	299	299	299	299	299	299	299
Reserves & Surplus	212	207	202	188	167	146	127
Net Worth	511	506	501	486	465	444	426
OPERATING PERFORMANCE							
Revenue	331	379	451	395	335	307	266
Gross Profit Earnings	15	17	85	81	77	62	43
Profit Before Tax	7	10	75	75	72	59	39
Profit after Tax	5	4	49	52	53	46	27
Earning per share(in Rs.)	0.18	0.14	1.66	1.73	1.79	1.53	0.90
Rate of Dividend	----	-----	9%	9%	9%	8%	6%
GROSS PROFIT EARNINGS							
As a percentage of							
Revenue	4.53	4.49	18.85	20.51	22.98	20.20	16.16
Net Worth	2.94	3.36	16.97	16.67	16.56	13.97	10.10