

**Contents :**

Director Report	1
Management Discussion & Analysis Report	17
Report on Corporate Governance	27
MD Certification	41
Secretarial Auditor	43
Certificate under Clause-49	
Secretarial Audit Report	44
Auditor's Report	57
Balance Sheet	61
Cash Flow Statement	62
Profit & Loss A/c	63
Significant Accounting Policies & Notes to Financial Statement	64
Schedule as 9BB	81
Financial Highlights	84

CORPORATE INFORMATION

Board of Directors : SUBHASH CHANDER SIKKA (Chairman)
SHIV DYAL CHUGH (Managing Director)
ROHIN CHUGH
CHANDAN CHUGH
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
www.phfleasing.com

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 : **MSEI** (Metropolitan Stock Exchange of India Limited)

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



DIRECTOR'S REPORT

To
The Esteemed Members

Your Directors have pleasure in presenting their 26th (Twenty Sixth) Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2018 and previous years are as under:

(Figures Rs. in lacs rounded off)

SR. No.	<u>PARTICULARS</u>	Current Year Ended March 31, 2018	Previous Year Ended March 31, 2017
1.	Loans & Advances	1048.62	1264.31
2.	Borrowings	656.76	798.23
3.	Gross Income	286.68	330.65
4.	Expenditure (excluding depreciation)	274.41	316.15
5.	Depreciation	6.81	7.27
6.	Profit before taxes	5.46	7.23
7.	Taxes / Adjustments	(1.13)	(1.92)
8.	Net Profit after Tax	4.33	5.31
9.	Profit Brought Forward	68.61	64.36
10.	Provision for dividend	0	0
	Provision for dividend tax	0	0
11.	Transfer to Statutory reserve	0.90	1.06
	Transfer to General reserve	0	0
12.	Paid up Capital	298.78	298.78
13.	Reserve & Surplus	216.57	211.82
14.	Net Owned Funds	515.35	510.60
15.	Dividend %	0	0
16.	Earnings Per Share	0.15	0.18

**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, 2018. The Company looks forward to achieve higher growth rate in the coming years.

OPERATIONS & COMPANY'S PERFORMANCE**a) TOTAL GROSS INCOME**

The total gross income of the Company stood at Rs. 286.68 Lakh for the Financial Year ending March 31, 2018 as against Rs. 330.65 Lakh for the financial year ending March 31, 2017 showing a decrease of about 13.30%. The reasons of the decrease in the gross income was the slow growth of auto agency and the risk of delinquency in the continue recession in Auto Finance Business. The demonetization impact which started from November 08, 2016 had its impact this year also on the profits of the company.

b) NET PROFITS

As a result of putting 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. 4.33 Lakh as on March 31, 2018 as compared to Rs. 5.31 Lakh as on March 31, 2017 showing a decrease of about 18.46%. The Company is functioning hard to increase its profitability.

c) NET OWNED FUNDS

Net Owned Funds of the Company as on March 31, 2018 increased to Rs. 515.35 Lakh as compared to Rs. 510.60 Lakh as on March 31, 2017.

d) BORROWINGS

The Borrowings of the company stood at Rs. 656.76 Lakh as on March 31, 2018 as compared to Rs. 798.23 Lakh as on March 31, 2017. All the deposits due for repayment during the year were paid during the year. No amount outstanding in the unclaimed/unpaid deposit account as on March 31, 2018.



As company is neither accepting fresh deposit nor renewing as per directions of Reserve Bank of India.

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

e) LOANS & ADVANCES

The company has adopted a apprehensive policy of investing against hypothecation of assets of commercial vehicles, two wheelers and three wheelers. The Hypothecated assets of the company have decreased to Rs. 1048.62 lakh as on March 31, 2018 as against Rs. 1264.31 lakh in the previous year as on March 31, 2017.

f) OPERATIONAL - 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 services to its progressive poor and other Borrowers. Our Borrowers are predominantly located in rural areas in India, and your Company makes available loans and finance to them mainly for use for the personal consumption, businesses or for other income generating activities.

In its core business, your Company operates with transparent policies, well-managed team at Head Office & Branches and positive efforts of field officers. Your Company is providing services to all borrowers and customers mainly from three branches located at Amritsar, Batala and Kapurthala in which the hypothecation of commercial vehicles, two wheelers and three wheelers services and other services of financing and loans for purchase of new or used vehicles from dealers are provided. Furthermore, the Company's focus has always been to develop excellent long term relationship with lessees, suppliers, lenders and employees.

**g) LISTING STATUS OF THE COMPANY**

The Shares of the company were sent in Dissemination Board of BSE by the existing exchanges (i.e; DSE & LSE after the exit orders passed by the SEBI as per order no No.WTM/PS/45/MRD/DSA/NOV/2014 and WTM/RKA/MRD/166/2014 on November 19, 2014 and December 30, 2014 respectively). Your company has decided in its board meeting held on dated October 8, 2016 vide its resolution no 09 to Re-listed its Equity shares on Metropolitan Stock Exchange of India Limited (MSEIL) and get the listed status of the company and for this purpose the company had filed an application for listing of shares of company with the Metropolitan Stock Exchange of India Limited (MSEI) and has received letter from MSEI dated May 16, 2018 stating that the equity shares of the company are listed and admitted for dealings on the exchange w.e.f May 21, 2018 vide circular no MSE/LIST/6322/2018. Therefore the company from onwards being a listed entity will follow the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as applicable on the company.

h) 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 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

i) POLICIES ON APPOINTMENT OF DIRECTORS AND REMUNERATION

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

**j) CHANGE IN THE NATURE OF BUSINESS**

During the financial year 2017-18, there was no change in the nature of business of the Company. The company continues to be an Asset Finance Company. 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.

k) 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.

Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website .

l) RESERVE BANK OF INDIA - REGULATORY UPDATE AND GUIDELINES

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

m) BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and 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 evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, contribution in enhancing the Board's overall effectiveness, etc. The Board of Directors has expressed their satisfaction with the evaluation process.

**n) DEPOSITS**

The Company is registered with Reserve Bank of India as Deposit taking NBFC (AFC-D). The Company neither accepted fresh public deposits from the financial year 2015-16 nor renewed the public deposits from the financial year 2016-17 and the Public deposit outstanding as on March 31, 2018 is Rs. 62.35 Lakhs and from Directors & Relatives Rs. 115.78 Lakh.

o) FAIR PRACTICE 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. Fair Practice code has also been displayed on Web site of the company at www.phfleasing.com.

DISCLOSURES PURSUANT TO COMPANIES ACT, 2013 READ WITH RULES FRAMED THEREUNDER AND AS PER SEBI (LODR), 2015 (LISTING REGULATIONS):**EXTRACT OF ANNUAL RETURN UNDER SECTION 92(3) READ WITH RULE 12 OF CHAPTER VII RULES.**

The extract of the Annual Return in the Form MGT 9 is annexed to this Annual Report.



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	8	5	4	1	1	2
Dates of Meeting	29-04-2017 21-06-2017 15-07-2017 08-08-2017 14-10-2017 13-11-2017 05-12-2017 20-01-2018	28-04-2017 20-06-2017 14-07-2017 14-10-2017 19-01-2018	28-04-2017 14-07-2017 13-10-2017 19-01-2018	13-10-2017	13-10-2017	28-04-2017 13-10-2017

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	8	5	-	1	1	2
Shiv Dyal Chugh	8	5	4	-	-	-
Rohin Chugh	8	-	-	1	-	2
Chandan Chugh	8	-	-	-	-	2
J.S Makkar	2	-	1	-	-	-
Neelam Kohli	8	5	4	1	1	-



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

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

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed 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.

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 financial year.

APPOINTMENT OF INDEPENDENT DIRECTOR UNDER SECTION 149(4).

The Company has not made any fresh appointment of any Independent Directors during the financial year 2017-18.

**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 2017–2018 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.

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

The Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18 issued by M/s Dinesh Gupta & Co., Company Secretaries, Jalandhar is annexed to this annual report. The report does not contain any qualification, reservation or adverse remark.

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. The loan made, guarantee given or security provided in the ordinary course of business by a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act.

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

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

**AMOUNTS PROPOSED TO BE CARRIED TO RESERVES, IF ANY**

The Company is required to transfer 20% of its Profit after Taxes (PAT) mandatorily to statutory reserves as per Section 45 (IC) of the Reserve Bank of India Act. Accordingly, the amount of Rs.0.90 Lakh has been transferred to statutory reserves as on March 31, 2018.

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

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

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

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

B) Technology Absorption

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

**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.

DETAILS OF CSR POLICY AND ITS IMPLEMENTATION

In the midst of certain uncertainties 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.

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

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

The Nomination and Remuneration Committee undertook the review of skills, activities and time commitment of the Board and Committees for the year 2017-18. 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.

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

No changes were made in the composition of Board of Directors 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 OF COMPANY**

No fresh appointment of KMPs has been made by the Company during the Current Year. The following are the KMPs as on March 31, 2018.

Name	DIN	Designation
Mr. Shiv Dyal Chugh	00993747	Managing Director

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

During the financial year 2017-18, no Company became or ceased to be the Subsidiary/ Associate or joint venture of PHF Leasing Limited.

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.

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.

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.

**WHISTLE BLOWER POLICY/VIGIL MECHANISM**

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

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

The Company does not have any Holding/Subsidiary Company.

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

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 2017-18.
- (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 29 during the financial year 2017-18.

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 2017-18. Mr. Shiv Dyal Chugh has been given Rs.10.80 lakh as remuneration during in Financial Year 2017-18.

None of the Directors were in receipt of any Sitting fees during in Financial Year 2017-18. The Company hereby affirms that the remuneration paid to employees of the Company during the financial year 2017-18 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.

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 2017-18.

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 2017-18 under reviewed.

NON-PERFORMING ASSETS

Your Company has made provisions for NPAs as per guidelines of RBI. The company is making earnest efforts through continuous appraisal, timely recovery and sound policy of write-offs for reducing and controlling the NPAs. A transparent and pragmatic recovery policy has been framed to ensure that there is no let up in the recovery and upgradation of the over dues. During the year under review company has made a provision of Rs. 16.93 lakh as per the norms prescribed by RBI. The Company has transferred Rs. 4.01 lakh as provision on standard assets @ 0.40% as per RBI instructions.

AUDITORS AND AUDITOR'S REPORT

M/s. Dass & Co, Chartered Accountants, was appointed as the Statutory Auditor of the company from more than Last 10 years and as per the provisions of new the Companies Act, 2013, the Company has to change its Statutory Auditor and the tenure of the M/s. Dass & Co, Chartered Accountants, was also over as per the Act, therefore the Company has appointed Ms. Bindu Sharma, Chartered Accountant, Membership No. 542935 be and is hereby appointed as the Statutory Auditor of the Company and to hold the office from the conclusion of this 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company.

The Company has received letter from Ms. Bindu Sharma, Chartered Accountant, Membership No. 542935 to the effect that her appointment, if made, would be within the prescribed limits under Section 141 (3) (g) of the Companies Act, 2013 and that she is not disqualified for appointment.



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

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

SECRETARIAL AUDIT

In compliance with the new provisions of Companies Act, 2013, the Secretarial Audit of the Company has been conducted by M/s Dinesh Gupta & Co., Company Secretaries, Jalandhar for the financial year ended March 31, 2018. The said report is attached to the Board Report.

CUSTOMER GRIEVANCE REDRESSAL

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

PHF Leasing 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

**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, 2018 as submitted to the Board of Directors at their meeting held on June 21, 2018;
- 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.

MANAGEMENT DISCUSSION & ANALYSIS

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

ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

PHF LEASING LIMITED

Sd/-

Shiv Dyal Chugh

Managing Director

DIN : 00993747

Place : Jalandhar

Date : June 21, 2018



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC OVERVIEW

The expansion in global trade, revival of investment activities in advanced economies, gradual improvement in global demand led strengthening of global economic activity. US economy grew at 2.3 per cent as compared to growth rate of 1.5 per cent in preceding year. Economic activity in euro area continued to expand making 2017 as one of the best years in over a decade. Japan recorded consistent growth up to Q4:2017 but experienced slowdown in momentum from 2018. China's economy grew by 6.9 per cent. The Russian economy has continued to recover, benefiting from monetary policy easing, higher oil prices and strong household consumption.

The crude oil production cuts by Organization of the Petroleum Exporting Countries coupled with geo-political concerns and strong demand caused firming up of crude oil price from US\$ 56 a barrel in October 2017 to US\$ 67 in January, 2018. The crude oil prices surged continuously and reached US\$ 74.46 a barrel on April 26, 2018. The US Fed raised its policy rate by 25 bps each in December 2017 and March 2018 meetings. The financial markets remained relatively stable during most part of 2017 and January 2018 but turned volatile in February 2018 and went into correction on fears of faster rate hikes by the US Fed. Early March also witnessed return of volatility on announcement of protectionist measures by the US intensification of trade protectionism between China and the US.

The growing financial market integration in recent years has led to spill overs of volatility from advanced economies to emerging market economies due to monetary policy actions and financial events, as witnessed recently.

Global economic activity has been witnessing a broad based cyclical upturn. The acceleration in global trade outpacing global growth is a welcome development. Inflation remained below policy target levels in many key economies despite rise in some commodity prices and improving demand outlook. However, renewed fears of protectionism, retaliatory actions and trade wars pose a major challenge to the global economy.

INDIAN ECONOMIC OVERVIEW

After languishing for five consecutive quarters, economic activity in India is quickening. Growth is strengthening as indicated by strong sales growth by corporations, depleting finished goods inventories and restart of investment in fixed assets by corporations and expected record food grain output.



Reserve Bank India in its third bi-monthly Monetary Policy statement released on August 2, 2017 had reduced the policy repo rate under liquidity adjustment facility (LAF) by 25 basis points from 6.25 per cent to 6.0 per cent with immediate effect. Thereafter, RBI kept the policy repo rate under LAF unchanged at 6 per cent till end of the FY 2017-18.

The unseasonal spike in the prices of vegetables and the full impact of the central government implementing the 7th Central Pay Commission's HRA award impacted Headline CPI inflation reaching 5.2 per cent in December 2017 (4.9 per cent, excluding the estimated impact of HRA for central government employees). The headline inflation was down at 4.4 per cent in February 2018 (4.1 per cent, excluding the estimated impact of HRA for central government employees).

While the rupee had gained against the US dollar on the back of sustained portfolio inflows with the buoyance in equity markets, sentiment had reversed from February 2018 when portfolio outflows had picked-up. After bringing in robust inflows over the greater part of the year, foreign portfolio investors turned net sellers in the Indian equity and debt markets from second week of February 2018 to second week of March 2018. The Indian rupee experienced intermittent bouts of volatility during H2:2017-18. Concerns over political turmoil in the Middle East, international crude oil prices drove the rupee lower against the dollar during the first two weeks of November 2017. A weakening US dollar and robust foreign portfolio investor (FPI) purchases in the Indian debt market supported the rupee through December 2017 and early January 2018. In the latter part of January 2018 and in February 2018, the re-emergence of concerns around the repercussions of elevated energy prices on India's trade deficit, anxiety around recalibrating of the speed of monetary policy tightening by the Federal Reserve upon arrival of strong wages and employment data, and the introduction of LTCG tax in India subjected the rupee to downward pressure. This was accentuated by the strengthening of the US dollar and sales by FPIs in the equity and debt markets. Net purchases by FPIs from mid-March 2018 supported the rupee.

As per the second advance estimates report dated 28th February 2018 of the Central Statistics Office (CSO), the growth in GDP during 2017-18 is estimated at 6.6% as compared with the growth rate of 7.1% in 2016-17. The sectors which are likely to register growth rate of over 7.0 percent are 'public administration, defense and other services', 'trade, hotels, transport, communication and services related to broadcasting', 'electricity, gas, water supply and other utility services' and 'financial, real estate and professional services'. The 'agriculture, forestry and fishing', 'mining and quarrying' and 'manufacturing' sectors are likely to show a growth rate of 3.0%, 3.0% and 5.1% respectively in its GVA during 2017-18, as against the previous year's growth rate of 6.3%, 13% and 7.9% respectively.



Although export growth slowed down to less than 3 per cent in H2:2017-18 from 6.2 percent in H1:2017-18, there was a bounce-back in November 2017 and December 2017 with the easing of implementation hurdles associated with the GST. India's net services exports picked up in Q3:2017-18, mainly on account of improvement in exports of soft ware and travel services. Despite the uncertainty relating to visa policies in the US and potential adverse effect of Brexit looming large, India's soft ware services recovered in key markets. The turnaround in global IT spending in 2017 also supported demand in this segment. The increase in net exports of travel services reflected the noteworthy rise in tourist arrivals in India. By contrast, increase in imports of services due to higher payments for travel, transport and business services partly offset the rise in export earnings. The current account deficit (CAD) increased to 2.0 per cent of GDP in Q3:2017-18 from 1.4 per cent of GDP a year ago. The widening of CAD on a y-o-y basis was primarily on account of higher trade deficit.

On a y-o-y basis, gross value added in agriculture and allied activities accelerated to 3.1 per cent in H2:2017-18 from 2.7 per cent in H1:2017-18, but decelerated significantly relative to H2:2016-17. The prolonged south west monsoon, better precipitation in the north-east monsoon (October-December 2017) relative to the preceding year, and comfortable water levels in major reservoirs ensured good soil moisture conditions for rabi sowing. The second advance estimates 2017-18 estimated food grains production at 277.5 million tonnes, 0.9 per cent higher than the previous record achieved in 2016-17 (275.1 million tonnes).

Equity markets extended their gains in H1:2017-18 into H2, with the Sensex closing at a historic high of 36,283 on January 29, 2018 on account of various factors including strengthening macroeconomic conditions; revival of corporate sales and improving prospects for future earnings; the announcement of PSU banks' recapitalization; a jump in India's ranking in the World Bank's ease of doing business index; the ratings upgrade by Moody's; sustained net investment by domestic institutional investors; and positive cues from global equity markets. But, the market conditions and sentiment reversed dramatically in February 2018 and selling pressures intensified on account of global sell-off s in bonds and equities following stronger than expected job and inflation data for the US that prompted market participants to anticipate a faster pace of normalization of US monetary policy; expectations of tighter liquidity conditions going forward; bearish sentiment post the Union Budget proposal to levy long-term capital gains tax of 10 per cent on gains exceeding Re. 1 lakh from sale of equity shares; the breach in the fiscal deficit target for 2017-18 and for the medium term; etc.



FINANCIAL SERVICES SECTOR

India's financial services sector comprises of commercial banks/ co-operative banks, non-banking financial companies, insurance companies, pension/ mutual funds and other various entities. It is undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities such as payments bank entering the sector. The Government is taking various initiatives for the development of this sector. NBFCs especially those catering to the urban and rural poor namely NBFC-MFIs and Asset Finance Companies have a complimentary role in the financial inclusion agenda of the country. Further, some of the big NBFCs viz; infrastructure finance companies are engaged in lending exclusively to the infrastructure sector and some are into factoring business, thereby giving fillip to the growth and development of the respective sector of their operations.

NBFCs have also carved niche business areas for them within the financial sector space and are also popular for providing customized products, for instance your Company providing second hand vehicle financing, mostly at the doorstep of the customer. In short, NBFCs bring the much needed diversity to the financial sector thereby diversifying the risks, increasing liquidity in the markets thereby promoting financial stability and bringing efficiency to the financial sector.

The total managed NBFC-retail credit of NBFCs stood at around ` 7 trillion as on December 31, 2017, posting a year-on- year growth of 18.3 per cent, compared with nearly 15.5 per cent in FY 17 and 19 per cent in FY 16. The announcement of the bank recapitalization plan by the Government should help credit growth overtime.

All major components of capital flows, viz., foreign direct investments (FDI), foreign portfolio investments (FPI), non-resident Indian (NRI) deposits and external commercial borrowings (ECBs), recorded net inflows during Q3:2017-18. Gross as well as net FDI flows to India slowed in Q3 relative to preceding quarters.

AUTOMOBILE INDUSTRY

The Indian auto industry is one of the largest in the world with an annual production of 25.32 million vehicles in 2016-17. Though in 2017-18 the industry witnessed many headwinds – ban on sale of BS-III vehicles from 1st April, 2017, GST implementation as on 1st July, 2017, and rate revisions under GST in September 2017, it has managed to register growth of 11.5% vis-à-vis 6.8% during the same period last year. This year, rural income was supported by a near-normal monsoon, which led to good crop and higher MSPs (Minimum Support Prices) announced by the government. This has resulted in higher disposable incomes in the hands of rural population. Also, demand for commercial vehicles recovered on the back of infrastructure development, with new road and highway projects being undertaken and various projects coming up in smart cities.



During April-March 2018, the automobile industry produced over 29 million vehicles including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers and quadricycles, as compared to the 25.3 million vehicles produced during April-March 2017, thus registering production growth of 14.78%.

Domestic volume growth trends across segments – 2017-18

Segment-wise Sales	2017-18	2016-17	Change (%)
Passenger Vehicles	3,287,965	3,047,582	7.9 %
Commercial Vehicles	856,453	714,082	19.9 %
Two Wheelers	20,192,672	17,589,738	14.8 %
Three Wheelers	635,698	511,879	24.2 %
Tractors	711,478	582,844	22.1 %

Passenger Vehicles

The passenger vehicle market saw a growth of 7.89% with sale of 3.28 million vehicles in April-March 2018 majorly led by utility vehicle sales which itself saw a growth of 20.97%. Within the passenger vehicles segment, sale of passenger cars and vans grew by 3.33% and 5.78% respectively, over the last fiscal year.

Commercial Vehicles

Total sales grew by 19.94% during April-March 2018 supported by pent-up demand post GST implementation, stringent execution of overloading norms in select states as well as healthy demand for Heavy Commercial Vehicles (HCVs). Medium & Heavy Commercial Vehicles (M&HCVs) segment saw growth of 12.48%, while Light Commercial Vehicles (LCVs) segment grew by 25.42%, during the same period. On the other hand, the three-wheelers segment saw growth of 24.19% in April- March 2018 over the last year.

Infrastructure development

India has made significant progress in building new roads, highways, expressways and support infrastructure such as airports, ports, railways and power plants. The expansion and transformation of our core infrastructure is also a major driver of growth for the auto industry. While India's remarkable automotive growth has so far been driven by urban consumers, the government's vision for economic growth and development across all strata of the country will pave the way for launch of new products in this segment. The initiatives are expected to help the automotive industry develop new mobility solutions such as intelligent transportation systems, alternative fuel vehicles and smart and connected vehicles targeted at the 'smart cities' of the future.



Rural market

The automobile industry is yet to fully tap into the demand from rural areas. The Indian automobile industry seeks to double its sales on the back of this steady rural led growth over the next decade. It is also expected to grow off relatively untapped segments including demand from youth, women and aspiration for luxury cars.

Export advantage

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-February 2018, overall automobile exports increased by 15.81%.

Outlook

Going forward, improved consumer sentiment after the Seventh Pay Commission by the Centre as well as salary revisions by States are expected to boost demand. The government has also recently (in October 2017) approved one of the biggest highway construction projects in India – 'Bharatmala project', worth Rs. 7 Lakh Crores to build approximately 83,000 Kms of roads by 2022. This is expected to give a fillip to the commercial vehicles segment.

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 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. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures.

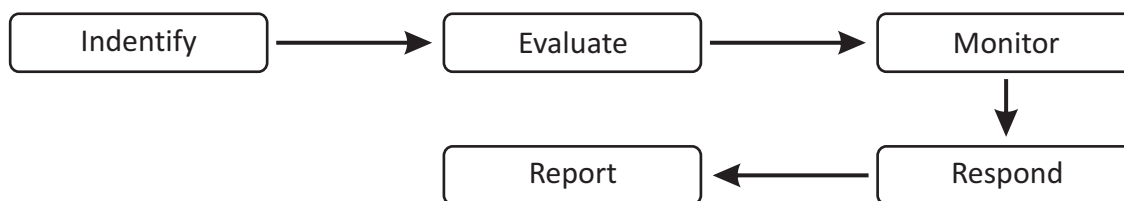


RISK MANAGEMENT

Risk management forms an integral part of our business. We continue to improve our policies and implement our policies rigorously for the efficient functioning of our business. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. Our objective in our risk management processes is to measure and monitor the various risks that we are subject to and to follow policies and procedures to address these risks. We do so through our risk management architecture, which includes a team, headed by our Executive Director & Chief Financial Officer that identifies, assesses and monitors all of our principal risks. The major types of risk we face in our businesses are credit risk, interest rate risk, operational risk, liquidity risk, cash management risk, asset risk, business risk, regulatory risk and human capital risk. Our Board has also adopted an Interest Rate Risk Management policy.

Risk Management Process

- * The risk management system includes the following key elements:
- * A strategy that is driven by objectives and principles.
- * Assignment of responsibilities.
- * A framework and reporting cycle to identify, assess, manage, monitor and report the risks that the Company is or may be exposed to.
- * A combination of 'top down' and 'bottom up' risk assessment and management process.
- * A risk monitoring plan that outlines the review, challenge and oversight activities.
- * Reporting procedures which ensure risk information is actively monitored, managed and appropriately communicated at all levels within the Company.
- * Embedding a strong risk management culture across all levels of the Company.



The risk management framework is based on assessment of all risks through proper analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism is supported by regular review, control, self-assessments and monitoring of key risk indicators. The key risks are: -

**Credit Risk**

Credit risk is the risk of loss that may occur from the default by the Company's customers under its loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Our credit approval policy includes a proposal evaluation and investigation procedure for credit appraisal. We manage our credit risk by evaluating the creditworthiness of our customers, carrying out cash flow analysis, setting credit limits, obtaining collateral and setting prudent LTV ratios. Actual credit exposures, credit limits and asset quality are regularly monitored at various levels.

Interest Rate Risk

The Company is subject to interest rate risk, principally because it lends to customers at fixed interest rates and for periods that may differ from its funding sources, which bear fixed and floating rates and are from banks and issuing debt. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage the interest rate risk on our balance sheet by managing our assets and liabilities. From time to time the Company enters into interest rate swaps to help manage the risks it may incur from being exposed to liabilities at floating rates.

The Company maintains an Asset Liability Management Policy and Procedures ("ALM Policy"), which has been approved and adopted by the Asset Liability Committee of the Board. Assets and liabilities are categorised into various time buckets based on their maturities and re-pricing options. Efforts are made and action plans are drawn to ensure minimum mismatch in each of the time buckets in line with guidelines prescribed by the RBI.

Operational Risk

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. As one of the features of our lending operations, we offer a speedy loan approval process and therefore have adopted de-centralized loan approval systems. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed local audit firms to conduct internal audits at a number of our offices to assess adequacy of and compliance with our internal controls, procedures and processes. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

**Liquidity Risk**

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate price and tenure. The Company attempts to minimise this risk through a mix of strategies, including assignment of receivables and short-term funding. The Company also monitors liquidity risk through the Asset Liability Committee of the Board and its Operating Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. Through the ALM Policy, we have capped maximum mismatches in various maturities in line with guidelines prescribed by the RBI.

The Company manages short-term mismatches between assets and liabilities by issuing commercial paper or obtaining funding from banks.

Cash Management Risk

Our offices collect and deposit a large amount of cash through a high volume of transactions. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems.

Asset Risk

Asset risks arise due to the decrease in the value of the collateral over time. The selling price of a re-possessed asset may be less than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral. We may also face certain practical and execution difficulties during the process of seizing collateral. We engage experienced repossession agents to repossess assets of defaulting customers. We ensure that these repossession agents follow legal procedures and take appropriate care in dealing with customers for seizing assets.

Business Risk

The Company, being an NBFC, is exposed to various external risks which have direct bearing on the sustainability and profitability of the Company. Foremost amongst them are Industry Risk and Competition Risk. The volatile macro-economic conditions and change in sector attitude in various economic segments causes ups and down in the business, and results in loan asset impairment. We have a dedicated team to continuously judge the trends in the economy and various industrial sectors. With increasing competition in the financial markets, the business growth of the Company is now subject to its ability to face competition. Keeping in with trends and practices in the market, we have developed tailor-made products to deepen market penetration. Equipped with an enthusiastic sales force, range of products, continuous efforts to improve TAT, and customer friendly culture, the Company is efficiently withstanding competition.

**Regulatory Risk**

It is the risk of change in laws and regulations materially impacting the business. All the periodic guidelines issued by the RBI are fully adhered to and complied with by the Company. The Company strictly adheres to the Capital Adequacy, Fair Practices Code, the RBI Reporting, Asset Classification and Provisioning Norms, etc. with a zero-level tolerance on the non-compliance aspect.

Human Capital Risk

Our success depends on our ability to retain and attract qualified personnel. We have a policy of providing excellent working environment for employees across all sections for better work-life balance. The compensation paid by the Company is comparable with other companies of its class and size in the industry.

INFORMATION TECHNOLOGY

This year, the organisation has begun a transformation of the technology landscape. Technology has been enabled to support easier implementation of partnerships for business generation and collections, operational efficiencies, and compliance with statutes. Core business solutions for cross-selling of loan products, collections, SME finance, and Dealer Trade Advance have been implemented. Critical solutions of HRMS and GST compliance have gone on-stream. Enterprise platforms such as business process management, business intelligence and enterprise service bus have been implemented. Information security measures have been fortified through implementation of IPv6, web proxy, network access control and Artificial Intelligence based network traffic analysis tool. To supplement the internal capabilities, your Company has also entered into IT services sourcing arrangements with some of the global leaders of ITES. Digital solutions of customer mobile app, payments and KYC have been rolled-out/enhanced. Various engagements for tapping into nascent technologies, and the fintech ecosystem have been undertaken.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. 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, 2018



CORPORATE GOVERNANCE REPORT

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2018)

The Report for the financial year ended March 31, 2018 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), 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 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, Eight meetings of the Board of Directors were held on April 29, 2017, June 21, 2017, July 15, 2017, August 08, 2017, October 14, 2017, November 13, 2017, December 05, 2017 and January 20, 2018. 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, 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 2017-2018 and at the last Annual General Meeting, their directorships in other companies and membership /chairmanship in committees are as follows:

Name of the Director and Category of Directorship	Attendance at Board Meetings		Total No. of Directorships	*Membership / Chairmanship of Committees (including Company)		Whether attended the last AGM held on August 11, 2017
	Held	Attended		Director	Chairman	
Mr. Subhash Sikka Chairman, Non-Executive & Independent Director DIN: 0001871492	8	8	-	1	1	YES
Mr. Shiv Dyal Chugh Managing Director Executive & Non Independent DIN: 0000993747	8	8	4	4	1	YES
Mrs. Neelam Kohli Non-Executive & Independent Director DIN: 0002628811	8	8	-	1	1	YES
Mr. Rohin Chugh Non-Executive Non-Independent DIN: 0001519724	8	8	1	1	1	YES
Mr. Chandan Chugh Non-Executive Non-Independent DIN: 0001519390	8	8	2	-	-	YES
Mr. J.S Makkar Non-Executive Non-Independent DIN: 0001543332	8	2	1	1	1	NO

Note 1 : Mr. J.S. Makkar, Director expired on August 5, 2017

Note 2 : *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.



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, 2018, 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 Five times viz April 28, 2017, June 20, 2017, July 14, 2017, October 13, 2017 and January 19, 2018 during the year under review and the number of meetings attended by each member during the year ended March 31, 2018 is as follows:

Name of Member	Designation	No of Meetings	
		Held	Attended
Mr. Subhash Chander Sikka	Chairman (Independent Director)	5	5
Ms. Neelam Kohli	Member (Independent Director)	5	5
Mr. Shiv Dyal Chugh	Member	5	5

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.
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- ◆ 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 1 (one) time viz. October 13, 2017 and during the year under review and the number of meetings attended by each member during the year ended 31st March, 2018 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 Committee/Stakeholders Relationship Committee met 2 (Two) times viz. April 28, 2017 and October 13, 2017 during the year under review and the number of meetings attended by each member during the year ended 31st March, 2018 is as follows:

No Investor Grievance/Stakeholders Complaints were received by the Company during the financial year 2017-18. Due to Non receipt of any Stakeholder Grievance/Complaint and Nil Complaint status there was no requirement of meeting of the Committee during the previous year.

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

Name of Member	Designation	No of Meetings	
		Held	Attended
Mr. Rohin Chugh,	Chairman, (Non Executive Director)	2	2
Mr. Chandan Chugh,	Member, (Non Executive Director)	2	2
Mr. Subhash Chander Sikka,	Member, (Independent Director)	2	2

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

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

The Compliant Status during previous year was as follows:

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	Rohin Chugh
Designation	Non- Executive Non -Independent
Date of Appointment	31/07/2003
Expertise in NBFC Functional Areas	More than 15 Years
Shareholding in PHF Leasing Limited	20000 Shares
Directorships held in other companies	PHF Hire Purchase Limited
Membership/Chairmanship of Committees of other Public Companies	—



THE DETAILS OF SITTING FEES/REMUNERATION PAID TO THE DIRECTORS DURING THE FINANCIAL YEAR 2017-18 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
2016-17	August 11, 2017	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	3
2015-16	September 17, 2016	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	2
2014-15	September 05, 2015	04:00 PM	Hotel Kings, G. T. Road, Jalandhar	3

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 2016-17:

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



2) 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.

3) 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

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 : September 04, 2018

Time : 04.00 P.M.

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

2) Financial Calendar:

April 01, 2017 to March 31, 2018

Adoption of Quarterly Results Ended	In the month of (tentative)
June 30, 2017	July 15, 2017
September 30, 2017	October 14, 2017
December 31, 2017	January 20, 2018
March 31, 2018	April 28, 2018

3) Date of Book Closure:

From Monday, September 03, 2018 to Tuesday, September 04, 2018 (both days inclusive)

4) Listing on Stock Exchanges:

The Shares of the company were sent in Dissemination Board of BSE by the existing exchanges (i.e; DSE & LSE after the exit orders passed by the SEBI as per order no No.WTM/PS/45/MRD/DSA/NOV/2014 and WTM/RKA/MRD/166/2014 on November 19, 2014 and December 30, 2014 respectively). Your company has decided in its board meeting held on dated October 8, 2016 vide its resolution no 09 to Re-listed its Equity shares on Metropolitan Stock Exchange of India Limited (MSEIL) and get the listed status of the company and for this purpose the company had filed an application for listing of shares of company with the Metropolitan Stock Exchange of India Limited (MSEL) and has received letter from MSEI dated May 16, 2018 stating that the equity shares of the company are listed and admitted for dealings on the exchange w.e.f May 21, 2018 vide circular no MSE/LIST/6322/2018. Therefore the company from onwards being a listed entity will follow the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as applicable on the company.



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, 2018 :

	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, 2018:

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

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, 2018.

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 REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

Declaration of Compliance with Code of Conduct

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

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

As per Regulation 17(5), 26(3) and 34 (3) read with Schedule V (Part D) of Securities Exchange Board of India (LODR) Regulations, 2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2018.

Shiv Dyal Chugh
Managing Director

Place: Jalandhar
Date: June 21, 2018

**CERTIFICATION FOR FINANCIAL YEAR 2017-18**

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

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

- A. I have reviewed Financial Statements and the Cash Flow Statement for the year ended on March 31, 2018 and that to the best of my knowledge and belief:
- (1) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or 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) There were no instances of significant fraud of which I am aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shiv Dyal Chugh
Managing Director

Place: Jalandhar
Date: June 21, 2018



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: July 10, 2018



Dinesh Gupta
B.Com, LLB, FCS

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

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

I have examined the compliance of conditions of Corporate Governance by PHF Leasing Limited, 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, 2018.

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

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

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

For Dinesh Gupta & Co.
Companies Secretaries

Sd/-
Dinesh Gupta
Partner
M. No. F3462, C.P. No. 1947
Place: Jalandhar
Date: July 10, 2018



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 MARCH 31, 2018****To****The Members****PHF Leasing Limited****CIN: L65110PB1992PLC012488****923, G.T. Road, Jalandhar - 144001**

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 Company'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, 2018 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, 2018 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;



- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

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
- 6) 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 issued by The Institute of Company Secretaries of India 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 atleast seven days in advance and wherever required shorter notice consent were obtained from the Directors. Also system exists for seeking and obtaining further information and



clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

The Shares of the Company were sent in Dissemination Board of BSE by the existing exchanges (i.e; DSE & LSE after the exit orders passed by the SEBI as per order no No.WTM/PS/45/MRD/DSA/NOV/2014 and WTM/RKA/MRD/166/2014 on November 19, 2014 and December 30, 2014 respectively). The Company had applied for re-listing of its equity shares with Metropolitan Stock Exchange of India Limited (MSEI) 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 and the Company has received a letter from MSEI dated May 16, 2018 stating that the equity shares of the company are listed and admitted for dealings on the exchange w.e.f May 21, 2018 vide circular no MSE/LIST/6322/2018. Therefore the Company from onwards being a listed entity will follow the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the other applicable regulations, Directions as may be laid down by Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India Act, 1992 and as applicable on the company.

The Company during the year 2017-18 was under the Dissemination Board of Bombay Stock Exchange Limited (BSE) had not appointed any Chief Financial Officer (CFO) and Company Secretary (CS), which are applicable on the Listed Company as per SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

We further report that during the audit period apart from the instances mentioned hereunder, there were no specific events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

- (i) Private Placement offer letter for secured redeemable Non-Convertible Debentures pursuant to Section 42 and Section 71 of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iii) 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 guide lines on the operation of the Company and the rules made thereunder.

For Dinesh Gupta & Co.
Company Secretaries
Sd/-
Dinesh Gupta
(Partner)
FCS No: 3462
C. P. No.: 1947

Place: Jalandhar
Dated: July 10, 2018



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2018

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Financing	64990	76.07%

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-2017]"				"No. of Shares held at the end of the year [As on 31-March-2018]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	2,080,810	2,080,810	69.64%	2,080,810	-	2,080,810	69.64%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	2,080,810	2,080,810	69.64%	2,080,810	-	2,080,810	69.64%	0.00%
(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)	-	2,080,810	2,080,810	69.64%	2,080,810	-	2,080,810	69.64%	0.00%



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	-	906,990	906,990	30.36%	-	906,990	906,990	30.36%	0.00%
Grand Total (A+B+C)	-	2,987,800	2,987,800	100.00%	2,080,810	906,990	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 Chugh	50,000	1.67%	0	50,000	1.67%	0	0.00%
5	Seth Ram Chand S D Chugh (HUF)	566,730	18.97%	0	566,730	18.97%	0	0.00%
6	Shiv Dyal Chugh	1,384,080	46.32%	0	1,384,080	46.32%	0	0.00%
7	Haripal Singh Gill	30,000	1.00%	0	30,000	1.00%	0	0.00%

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

Sr. No.	Particulars	Date	Reason	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	JATINDER SINGH MAKKAR						
	At the beginning of the year	3/31/2017		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	3/31/2018		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	3/31/2017		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	3/31/2018		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	3/31/2017		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	3/31/2018		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 CHUGH						
	At the beginning of the year	3/31/2017		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	3/31/2018		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	SETH RAM CHAND S D CHUGH (HUF)						
	At the beginning of the year	3/31/2017		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	3/31/2018		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
6	HARIPAL SINGH GILL						
	At the beginning of the year	3/31/2017		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	3/31/2018		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
7	SHIV DYAL CHUGH						
	At the beginning of the year	3/31/2017		1,384,080	46.32%	1,384,080	46.32%
	Changes during the year	-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
		-		-	0.00%	-	0.00%
	At the end of the year	3/31/2018		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	3/31/2017		70,000	2.34%	70,000	2.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		70,000	2.34%	70,000	2.34%
2	GILL JASPAL						
	At the beginning of the year	3/31/2017		55,800	1.87%	55,800	1.87%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		55,800	1.87%	55,800	1.87%
3	CHAMAN LAL						
	At the beginning of the year	3/31/2017		50,000	1.67%	50,000	1.67%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		50,000	1.67%	50,000	1.67%
4	SUMAN						
	At the beginning of the year	3/31/2017		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		40,000	1.34%	40,000	1.34%
5	KARAN SHARMA						
	At the beginning of the year	3/31/2017		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		40,000	1.34%	40,000	1.34%
6	JAGIR KAUR						
	At the beginning of the year	3/31/2017		40,000	1.34%	40,000	1.34%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		40,000	1.34%	40,000	1.34%
7	JASPAL SINGH						
	At the beginning of the year	3/31/2017		32,000	1.07%	32,000	1.07%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		32,000	1.07%	32,000	1.07%



8	NITIKA					
	At the beginning of the year	3/31/2017		30,000	1.00%	30,000
	Changes during the year			-	0.00%	-
	At the end of the year	3/31/2018		30,000	1.00%	30,000
9	SHIVALI BANSAL					
	At the beginning of the year	3/31/2017		27,600	0.92%	27,600
	Changes during the year			-	0.00%	-
	At the end of the year	3/31/2018		27,600	0.92%	27,600
10	HARLEEN BANSAL					
	At the beginning of the year	3/31/2017		14,700	0.49%	14,700
	Changes during the year			-	0.00%	-
	At the end of the year	3/31/2018		14,700	0.49%	14,700

(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	3/31/2017		1,384,080	46.32%	1,384,080	46.32%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	3/31/2018		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.)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	39,248,503.00	-	40,574,167.00	79,822,670.00
ii) Interest due but not paid	6,068,369.00	-	4,697,020.00	10,765,389.00
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	45,316,872.00	-	45,271,187.00	90,588,059.00
Change in Indebtedness during the financial year				
* Addition	18,848,650.00	-	-	18,848,650.00
* Reduction	(9,217,771.00)	-	(24,455,090.00)	(33,672,861.00)
Net Change	9,630,879.00	-	(24,455,090.00)	(14,824,211.00)
Indebtedness at the end of the financial year				
i) Principal Amount	47,863,179.00	-	17,813,681.00	65,676,860.00
ii) Interest due but not paid	7,084,572.00	-	3,002,416.00	10,086,988.00
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	54,947,751.00	-	20,816,097.00	75,763,848.00

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	172443.00		172443.00
	Total (A)	1252443.00		1080000.00
	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 31.03.2018.

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, 2018, 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, 2018;
- 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, 2018 ("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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, 2018
 - 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, 2018:

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The management at reasonable intervals has physically verified the fixed assets and no material discrepancies were noticed on such physical verification.
 - c) The title deeds of immovable properties are held in the name of the company.
- ii. The Company is a Non Banking Financial company engaged in loans and advances. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has granted unsecured loan to one bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c) These are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans to directors 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 31/03/2018 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**

Place : Jalandhar City
Dated : June 21, 2018

Sd/-
NEERU SALUJA
PARTNER
M.NO. 505151



BALANCE SHEET AS AT 31ST MARCH, 2018

(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	21657053	21181844
2	Non-current liabilities			
	(a) Long Term Borrowings	4	35968927	41693323
	(b) Deferred tax liabilities (Net)		11875	41180
	(c) Long Term Provisions	5	2093218	1758929
3	Current liabilities			
	(a) Short Term Borrowings	6	11926481	8707831
	(b) Other Current Liabilities	7	36251446	59472334
	(c) Short Term Provisions	8	70000	149000
	TOTAL		137857000	162882441
II.	ASSETS			
	Non-current assets			
1	(a) Fixed Assets			
	Tangible assets	9	12568416	12923917
	(b) Non Current Investments	10	5042140	5259482
	(c) Deferred tax Asset (Net)		0	0
	(d) Long Term Loans and Advances	11	19012061	24774036
	(e) Other Non Current Assets	12	3134896	2613650
2	Current assets			
	(a) Cash and Cash Equivalents	13	7826612	9848199
	(b) Short Term Loans and Advances	14	89261588	104393104
	(c) Other Current Assets	15	1011287	3070053
	TOTAL		137857000	162882441

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/-
NEERU SALUJA
PARTNER
M.NO. 505151

Place : Jalandhar

Date : June 21, 2018

Sd/-

Subhash Chander Sikka

Chairman

Sd/-

Shiv Dyal Chugh

Managing Director



CASH FLOW STATEMENT

Particulars	As at 31 March 2018		As at 31 March 2017	
A. Cash Flow from Operating Expenses				
Profit before Tax	546372		722800	
Add.: Financial Expenses	10899205	11445577	12821439	13544239
Add.: Depreciation	680596		727041	
Add.: Profit/Loss on sale of assets	0		(4950)	
Add.: Profit/Loss on sale of securities	24300		(59000)	
Add.: Provision for Non-Performing Assets	371015		54758	
Add.: Provision for Standard Assets	(36726)	1039185	17185	735034
Less:				
Dividend Received	(8190)		(16379)	
Interest Received on Government Securities	(1060034)		(817287)	
Tax Paid	(199193)	(1267417)	(570273)	(1403939)
Operating Profit before Working Capital Charges		11217345		12875334
Working Capital Changes :				
Change in Long Term Advances	5761975		7404564	
Change in Non-Current Assets	(303904)		(1947239)	
Change in Short Term Advances	15131516		8968877	
Change in Other Current Assets	1687686		(240783)	
Change in Current Liabilities	(21924708)	352565	(425893)	13759526
		11569910		26634860
Less: Financial Expenses		(11493729)		(13737304)
Cash Flow from Operating Activities		76181		12897556
B. Cash from Investing Activities				
Purchase of Fixed Assets	(325095)		(289023)	
Change in Investments	0		1941000	
Dividend & Interest Received	733073		833666	
Sale of Fixed Assets	0		10000	
Cash Flow from Investing activities		407978		2495643
C. Cash Flow from Financing Activities				
Change in Share Capital	0		0	
Change in Long Term Borrowings	(5724396)		(11483832)	
Change in Short Term Borrowings	3218650		(9548412)	
Dividend & Dividend Tax paid	0		0	
Cash Flow from Financing Activities		(2505746)		(21032244)
Net Increase/(decrease) in Cash/Cash Equivalents (A+B+C)		(2021587)		(5639045)
Cash & Cash Equivalents at the beginning of the year		9848199		15487244
Cash & Cash Equivalents at the end of the year		7826612		9848199

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

Sd/-
NEERU SALUJA
PARTNER
M.NO. 505151
Place : Jalandhar
Date : June 21, 2018

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

Sd/-
Subhash Chander Sikka
 Chairman

Sd/-
Shiv Dyal Chugh
 Managing Director



PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(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	28173597	32723274
II.	Other Income	17	494110	341692
	Total Income		28667707	33064966
III.	Expenses:			
i.	Employee benefits expense	18	8161753	8466111
ii.	Finance costs	19	10899205	12821439
iii.	Depreciation and amortization expense	9	680596	727041
iv.	Other expenses	20	7185126	9030141
v.	Provision & Write off	21	1194655	1297434
	Total Expenses		28121335	32342166
IV.	Profit before exceptional and extraordinary items and tax		546372	722800
V.	Exceptional items		0	0
VI.	Profit before extraordinary items and tax		546372	722800
VII.	Extraordinary Items		0	0
VIII.	Profit before tax		546372	722800
IX.	Tax expense:			
	(1) Current tax		(70000)	(149000)
	(2) Income tax adjustment of previous years		(72278)	0
	(3) Deferred tax		29305	(43155)
X.	Profit (Loss) for the period from continuing operations		433399	530645
XI.	Profit (Loss) for the period		433399	530645
XII.	Earnings per equity share:			
	(1) Basic		0.15	0.18
	(2) Diluted		0.15	0.18

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/-
NEERU SALUJA
PARTNER
M.NO. 505151

Place : Jalandhar
Date : June 21, 2018

Sd/-
Subhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director

**NOTE--1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****As on 31st March 2018****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 on receipt basis.
- (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 @ 0.40% 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 2018		As at 31 March 2017	
	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 2018		As at 31 March 2017	
	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 2018		As at 31 March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Shiv Dyal Chugh	1384080	46.32	1384080	46.32
2. Seth Ram Chand S.D.Chugh (HUF)	566730	18.97	566730	18.97



NOTE NO. 3 - RESERVE AND SURPLUS

Particulars	As at 31 March 2018	As at 31 March 2017
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	11382600	11276400
(+) Current Year Transfer	90000	106200
(-) Written Back in Current Year	-	-
Closing Balance	11472600	11382600
c. Other Reserves (Share Forfeited reserve)		
Opening Balance	38425	38425
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	38425	38425
d. Investment Reserves		
Addition during the year	376958	-
Less: amount written off during the year	(335148)	-
Closing Balance	41810	-
e. Surplus in statement of Profit and Loss		
Opening balance	6860819	6436374
(+) Net Profit/(Net Loss) For the current year	433399	530645
(-) Transfer to Statutory Reserves	90000	106200
Closing Balance	7204218	6860819
TOTAL	21657053	21181844

NOTE NO. 4 - LONG TERM BORROWINGS

Particulars	As at 31 March 2018	As at 31 March 2017
Secured		
Debentures	22275000	14496000
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.	2350340	8714176
AGILE FINSERV PVT. LTD.	1065107	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	25690447	23210176
Unsecured		
Deposits		
(i) Fixed Deposits (Director & Relatives)	8025230	11578075
(ii) Fixed Deposits (Others)	2253250	6905072
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.		
TOTAL	10278480	18483147
	35968927	41693323

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

Particulars	As at 31 March 2018	As at 31 March 2017
(I) Provisions		
Contingent Provision for Standard Assets	400594	437320
Provision for doubtful loans and advances	1692624	1321609
TOTAL	2093218	1758929

NOTE NO. 6 - SHORT TERM BORROWINGS

Particulars	As at 31 March 2018	As at 31 March 2017
Secured		
(A) WORKING CAPITAL LOAN	11926481	8707831
(From Capital Small Finance Bank Ltd.)		
SECURED AGAINST HYP. DOCUMENTS, PROMISSORY NOTES AND EQUITABLE MORTGAGE OF RESIDENTIAL HOUSE OF DIRECTORS AT CHUGH COTTAGE, URBAN ESTATE PH-1, JALANDHAR		
TOTAL	11926481	8707831

NOTE NO. 7 - OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Current maturities of debentures	0	635000
(b) Interest accrued and due on debentures	7084572	5453245
(c) Current maturities of deposits	7535201	19841441
(d) Income accrued and due on deposits	3002416	4305371
(e) Unpaid matured deposits and interest accrued thereon	0	2641228
(f) Unpaid matured debentures and interest accrued thereon	0	1855124
(g) Unpaid dividend (Refer note (a) below)	21728	21728
(h) Current Payment of Term Loan	10246251	5455496
(i) Advance for sale of Land	4000000	0
(j) Other payables :-		
Audit Fees	52000	52500
Salary	431073	406519
Leave Encashment	321721	313503
Bonus	268600	271700
E.S.I. Contribution	16706	20968
EPF/FP Contribution	70133	66321
Sundry Creditors	1593339	1506376
Cheque Issued but not yet debited	1331714	16364728
Legal Expenses	50000	42250
Tax deducted at source	225992	218836
TOTAL	36251446	59472334

(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 2018	As at 31 March 2017
(I) Provisions		
Provision for Income Tax	70000	149000
TOTAL	70000	149000

NOTE NO. 10 - NON CURRENT INVESTMENTS

Particulars	As at 31 March 2018	As at 31 March 2017
OTHER (VALUE AT COST)		
(A) Investments in Government or Trust securities		
i) 7.46% GOI Securities 2017	0	294300
ii) 6.01% GOI Securities 2028	600000	602100
iii) 6.30% GOI Securities 2023	940000	879159
iv) 5.69% GOI Securities 2018	1816000	1585383
v) 6.05% GOI Securities 2019	400000	353200
vi) 5.69% GOI Securities 2018	400000	359200
(B) Investment in Equity instruments -		
i) Capital Small Finance Bank Ltd. 9307 equity shares of Rs. 10/- each	186140	186140
(C) Investments in debentures or bonds		
i) 8.81% TNEB Bonds Series 3/2008-09	700000	1000000
TOTAL	5042140	5259482
Less : Provision for diminution in the value of Investments	0	0
TOTAL	5042140	5259482

Non Current Investments	As at 31 March 2018	As at 31 March 2017
Aggregate amount of quoted investments	4156000	4073342
Aggregate amount of unquoted investments	886140	1186140



NOTE NO. 9 : FIXED ASSETS

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block		
	Balance as at 1 April 2017	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 Mar. 2018	Balance as at 1 April 2017	Depreciation charge for the year	Adjustment as per Companies Act 2013	On disposals	Balance as at 31 Mar. 2018	Balance as at 1 April 2017	Balance as at 31 Mar. 2018
a) Tangible Assets (Not Under Lease)												
Land	3287094	0	0.00	0.00	3287094	0	0.00	0.00	0.00	0	3287094	3287094
Building	7764952	0	0.00	0.00	7764952	499930	123149	0.00	0.00	623079	7265022	7141873
Furniture and Fixtures	2950643	126727	0.00	0.00	3077370	2353699	90999	0.00	0.00	2444698	596944	632672
Vehicles	1350006	0	0.00	0.00	1350006	779738	167855	0.00	0.00	947593	570268	402413
Computers	1551864	144900	0.00	0.00	1696764	1318787	134461	0.00	0.00	1453248	233077	243516
Electrical Equipment	738920	21668	0.00	0.00	760588	373227	61023	0.00	0.00	434250	365693	326338
Office Equipment	2849467	31800	0.00	0.00	2881267	2243648	103109	0.00	0.00	2346757	605819	534510
Total (i)	20492946	325095	0.00	0.00	20818041	7569029	680596	0.00	0.00	8249625	12923917	12568416

As Per Our Report Of Even Date

FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

Sd/-
NEERU SALUJA
PARTNER
M.NO. 505151

Place : Jalandhar
Date : June 21, 2018

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

Sd/-
Subhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director



NOTE NO. 11 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March 2018		As at 31 March 2017	
A. Loans and Advances				
1) Capital Advances	833750		833750	
2) Security Deposits	40000		40000	
3) Loans & advances to related parties	0	873750	0	873750
4) Other Loans & Advances				
a) Loan & Advances against Hypothecation of Assets				
(i) Secured Considered good	10013281		19590782	
(ii) Doubtful	8125030	18138311	4309504	23900286
Total		19012061		24774036

NOTE NO. 12 - OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2018		As at 31 March 2017	
Income tax paid for earlier years		853263		894517
Interest Accrued on MPSEB Bonds		594133		594133
FDLG with Midland		1125000		1125000
FDLG with Agile Finserv Pvt. Ltd.		562500		0
TOTAL		3134896		2613650

NOTE NO. 13 - CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2018		As at 31 March 2017	
a. Balances with banks in current accounts		4555431		2931530
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		282407		756687
h. Cash on hand		2602678		2220125
i. FDRs (more than 12 months)		364368		3918129
TOTAL		7826612		9848199



NOTE NO. 14 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2018		As at 31 March 2017	
a. Loans and Advances				
a) Loan against Hypothecation of Assets secured considered good		86723468		102531138
b. Others (Specify Nature)				
Advances -- Unsecured considered good	2538120		1811966	
Loan Against FDR's -- Secured	0	2538120	50000	1861966
TOTAL		89261588		104393104

NOTE NO. 15 - OTHER CURRENT ASSETS

Particulars	As at 31 March 2018		As at 31 March 2017	
Others (Specify Nature)				
Money Transfer Fund	0		17133	
Prepaid Expenses	144165		167925	
Advance Income Tax	199193		570273	
Interest Accrued on Bank FDR's	573821		2236330	
Interest Accrued on Bonds & GOI Securities	60155		78392	
Interest Accrued on FDLG	33953	1011287	0	3070053
TOTAL		1011287		3070053

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 2018	For the year ended 31 March 2017
INTEREST:		
Loan & Advances	27448711	31630257
Interest on SLR Securities	314227	353811
Interest on Bank FDR's	248984	463476
Interest Earned (Others)	161675	179800
(A)	28173597	32627344
Other Financial Services		
Commission from money transfer	0	14576
Foreign Exchange Income	0	81354
(B)	0	95930
TOTAL (A+B)	28173597	32723274

NOTE NO. 17 - OTHER INCOME

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Other Income:		
Dividend	8190	16379
Interest Deduction on Pre-matures Deposit	18527	57670
Bad Debts Recovered	71880	135952
Misc. Income	0	23558
Interest on refund of Income Tax	57085	0
Profit on sale of fixed assets	0	4950
Profit on redemption of securities	0	59000
Interest on loan agt. fdr	3280	44183
Discount on Investments w/off	335148	0
TOTAL	494110	341692

NOTE NO. 18 - EMPLOYEE EXPENSES

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Salaries and incentives	5920646	6293375
(b) Contributions to -		
(i) Provident Fund, ESI Fund, Group Insurance	812105	757668
(c) Gratuity fund contributions	232746	268981
(d) Staff welfare expenses	165553	181430
(d) Medical Reimbursement	186538	94474
(f) Travelling & Conveyance Allowance	844165	870183
TOTAL	8161753	8466111



NOTE NO. 19 - FINANCE COSTS

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Expenses on Fixed Deposit	3303278	6975319
Interest Expenses on Debentures	2726885	4038593
Bank Interest & Charges	1883110	1136779
Interest paid on ICD	340731	159201
Interest paid on Term Loan	2577211	382172
Document & Processing Charges	37500	129375
Debentures Fees & Taxes	30490	0
TOTAL	10899205	12821439

NOTE NO. 20 - OTHER EXPENSES

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Advertisements	191702	50547
AGM Expenses	103979	52690
Annual Maintenance Cost	5110	2510
Car Expenses	231701	208489
Donation	2820	0
Electricity & Water Charges	367600	412171
Entertainment	43640	62556
Festival Expenses	131190	151064
General Expenses	255035	231583
Insurance Premium	189772	233722
Legal & Professional Charges	270888	347689
Loss on Maturity of GOI Sec.	24300	0
Loss on Sale of Repossessed Vehicles	0	1752031
Membership & Subscription Fees	31457	10384
Newspapers & Magazines	12485	11555
Payment to Auditors	59000	57500
Postage Expenses	37697	34500
Printing and Stationery	172433	239729
Rate and Taxes	65468	59083
Recovery and Collection Charges	3174358	3332161
Rent Account	710568	689338
Repair & Maintenance		
-Building Repair	58000	42000
-Other Repair	369966	273700
Rebate & Discount	54391	51429
Software Development Expenses	130000	50000
Scooter/Motor cycle Expenses	13750	24470
Telephone & Mobile Exp.	440924	546604
Tour & Traveling	36892	102636
TOTAL	7185126	9030141



NOTE NO. 21 - PROVISION AND WRITE OFF

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Bad Debt Written off	860366	1225491
Provision for Non Performing Assets	371015	54758
Provision for Standard Assets	-36726	17185
TOTAL	1194655	1297434

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 2018	For the year ended 31 March 2017
A. AUDITOR		
i. for audit fees	59000	57500
ii. for company law matters		
iii. for management services		
iv. for taxation matter		
v. for reimbursement of expenses		
TOTAL	59000	57500

As Per Our Report Of Even Date

FOR DASS & COMPANY
CHARTERED ACCOUNTANTS
FRN 000200N

Sd/-
NEERU SALUJA
PARTNER
M.NO. 505151

Place : Jalandhar
Date : June 21, 2018

For and on behalf of the Board of Directors

PHF LEASING LIMITED

Sd/-

Subhash 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 90000/- 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 31.3.2018	FIGURES AS ON 31.3.2017
Weighted Average Number of Equity Shares outstanding Nos.	2987800	2987800
Net Profit after tax	433399	530645
Earning per share	0.15	0.18

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 31.3.2018	FIGURES AS ON 31.3.2017
W.D.V. OF Fixed Assets as per Companies Act, 2013	12568416	12923917
WDV of Fixed Assets as per Income Tax Act	10088067	10672668
Timing Difference	2480349	2251249
Deferred Tax Liability	644890	672448
Deferred Tax asset on account of Tax impact of Long Term capital Loss	76733	76733
Tax impact on Provision for NPA	430665	388806
Tax impact on Standard Asset	104155	130627
Mat Credit	21462	35102
Deferred Tax Asset / (Liability)	(11875)	(41180)



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

Rate of Interest (%)	2022-23	2023-24	2025-26	2027-28	TOTAL
9.11%	1275000	0	0	0	1275000
11.50 %	0	13895000	0	0	13895000
9.35%	0	0	1920000	0	1920000
11.00%	0	0	0	5185000	5185000
TOTAL	1275000	13895000	1920000	5185000	22275000

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

- (i) Key Managerial Personnel:
Mr. Shiv Dyal Chugh - Managing Director
- (ii) Relatives of Key Managerial Personnel:
Mr. Rohin Chugh, Mr. Chandan Chugh, Mrs. Jyotsna
- (iii) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives:
Mr. Shiv Dyal Chugh: PHF Finance Limited
PHF Hire Purchase Limited
PHF Investment Limited
PHF Food Limited
- (iv) Related party transactions for the year ended on 31st March, 2018

Name of Transactions	Key Management Personnel	Relation of Key Management Personnel	Associates	Total	Previous Year Figures
Income					
House Rent	108000	0	0	108000	108000
Interest	0	0	18435	18435	NIL
Expenses					
Remuneration	1080000	0	0	1080000	1080000
Contribution to PF	21600	0	0	21600	21600
Rent	0	84000	0	84000	84000
Interest	172443	179695	340731	692869	288727
Assets					
Equity Shares	0	0	0	0	0
Deposit	0	0	0	0	0
Liabilities					
Equity Shares	1384080	666730	0	2050810	1384080
Deposit	1724476	1797203	0	3521679	3521679

Remuneration means the Gross Remuneration without any deductions.



2.7. The Company has complied with Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. The Capital Adequacy Ratio as on 31.03.2018 is 42.26% as against minimum of 15%

2.8. <u>Remuneration to Directors</u>	<u>2017-18</u>	<u>2016-17</u>
i. Salary to Mg. Director	1080000	1080000
ii. Contribution to PF	21600	21600

2.9. Impairment of Assets (AS 28)

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

2.10 Discount on Securities

From time to time, the company has purchased securities for complying with the SLR requirement as prescribed under section 451B of the Reserve Bank of India Act, 1934. Since the purchase of securities are either at premium or at discount, the company has followed policy of discounting the securities at face value, the difference so arisen is credited to profit & loss account on proportionate basis by taking into account the year of redemption of security.

2.11. Capital Advance

The Company has applied for listing with Metropolitan Stock Exchange of India Ltd. (MSEI) and an expenditure of Rs. 833750/- has been incurred. Since the application is pending as on the close of the financial year 2017-18 the said amount has been shown as Capital Advance under the head Long Term Loan & Advances as per Note No.11 of the Balance Sheet.

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

Contingent Assets

The company had purchased 12 Bonds of Madhya Pradesh State Electricity bonds 1999 worth Rs. 12.00 Lacs on 13.01.2000 whose maturity period expired on 13.01.2007. During the year 2014-15, the Company received Rs. 16,26,786/- which pertain to Principal sum Rs. 12,00,000/- and Rs. 4,26,786/- towards interest calculated @ 7% upto 31.03.2005 and @ 8% for the subsequent period from 01.04.2005 to 13.01.2007 as against contracted rate of 13.70%. The Company has filed recovery Suit against Madhya Pradesh State Electricity Board in Delhi District Court for the recovery of differential interest as per Contract rate and as remitted by the Madhya Pradesh State Electricity Board. The Company has also filed claim of interest for the delayed receipt of principal & interest. The Next date of hearing is 11th Oct. 2018.

2.13 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 (%)	42.26	36.69
ii)	CRAR - Tier I Capital (%)	41.93	35.39
iii)	CRAR - Tier II Capital (%)	0.33	0.30
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	50.42	52.59
	(b) Outside India		
	(ii) Provisions for Depreciation		
	(a) In India		
	(b) Outside India		
	(iii) Net Value of Investments		
	(a) In India	50.42	52.59
	(b) Outside India		
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance		
	(ii) Add : Provisions made during the year		
	(iii) Less : Write-off / write-back of excess provisions during the year		
	(iv) Closing balance		



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

	Upto 30/31 days	Over 1 month & upto 2 Month	Over 2 month & upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	3.03	7.50	2.91	26.05	35.87	102.78	0.00	0.00	178.14
Advances	93.91	93.41	89.67	242.23	373.39	181.38	0.00	0.00	1073.99
Investments	0.00	0.00	0.00	22.16	0.00	11.00	9.40	6.00	48.56
Borrowings	7.95	8.06	8.16	25.11	172.44	46.90	210.00	0.00	478.62

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	3.71	0.55
Provision made towards Income tax	0.70	1.49
Other Provision and Contingencies (with details)	NIL	NIL
Provision for Standard Assets	(0.37)	0.17

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	104.38
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	58.59%

ii) Concentration of Advances

(Amount in Rs. Lacs)

Total Advances to twenty largest borrowers	64.43
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	6.00%



iii) Concentration of Exposures

(Amount in Rs. Lacs)

Total Exposure to twenty largest borrowers / customers	64.43
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	6.00%

iv) Concentration of NPAs

(Amount in Rs. Lacs)

Total Exposure to top four NPA accounts	18.57
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v) Sector-wise NPAs

(Amount in Rs. Lacs)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1.	Agriculture & allied activities	
2.	MSME	
3.	Corporate borrowers	
4.	Services	
5.	Unsecured personal loans	
6.	Auto loans	1.72%
7.	Other personal loans	

d) Movement of NPAs

(Amount in Rs. Lacs)

	Particulars	Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)	6.08%	2.35%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	43.09	54.96
	(b) Additions during the year	51.43	28.88
	(c) Reductions during the year	13.27	40.75
	(d) Closing balance	81.25	43.09
(iii)	Movement of Net NPAs		
	(a) Opening balance	29.88	42.29
	(b) Additions during the year	44.69	19.07
	(c) Reductions during the year	10.25	31.48
	(d) Closing balance	64.32	29.88
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	13.21	12.67
	(b) Provisions made during the year	6.74	9.81
	(c) Write-off / write-back of excess provisions	3.02	9.27
	(d) Closing balance	16.93	13.21



Note No. - 23

Schedule to the Balance Sheet of Non Banking Financial Company

(Schedule to the Balance Sheet as required in terms of paragraph 13 of

NBFC (Deposits Accepting or holding) Companies -- Prudential Norms

(Reserve Bank) Directions, 2007

As on 31st March, 2018.

(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	293.60	0.00
: Unsecured	0.00	0.00
(Other than falling within meaning of public deposits)	0.00	0.00
(b) Deferred Credits	0.00	0.00
(c) Terms Loans	136.62	0.00
(d) Inter- corporate Loans & Borrowing	0.00	0.00
(e) Commercial Paper	0.00	0.00
(f) Public Deposits	79.59	0.00
(g) Other Loans (Specify nature)	0.00	0.00
i) Directors & directors' Relative Deposits	128.57	0.00
ii) Bank Borrowing	119.26	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	79.59	0.00
ASSETS SIDE	AMOUNT OUTSTANDING	
3. Break up of Loans & Advances including bills receivables (other than those included in (4) below :-		
(a) Secured		0.00
(b) Unsecured		25.38
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		1048.62
(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		41.56
(v) other (please specify)		0.00
2. Unquoted:-		
(I) Shares	(a) Equity	1.86
	(b) Preference	0.00
(ii) Debentures & Bonds		7.00
(iii) Units of mutual Funds		0.00
(iv) Govt. Securities		0.00
(v) other (FDR with Bank's)		3.64

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

		Amount (Net of Provision)		
Category		Secured	Unsecured	Total
1.	Related to Parties :			
	(a) Subsidiaries	0.00	0.00	0.00
	(b) Companies in the same group	0.00	0.00	0.00
	(c) Other related parties	0.00	0.00	0.00
2.	Other than related parties	1031.69	25.38	1057.07
Total		1031.69	25.38	1057.07



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	50.42	50.42
Total	50.42	50.42

8. Other Information:	Amount (Rs.)
(i) Gross Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	81.25
(ii) Net Non Performing Assets :-	
(a) Related Parties	0.00
(b) Other than related parties	64.32
(iii) Assets acquired in satisfaction of debt	0.00

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

Sd/-
NEERU SALUJA
PARTNER
M.NO. 505151
Place : Jalandhar
Date : June 21, 2018

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

Sd/-
Subhash Chander Sikka
Chairman

Sd/-
Shiv Dyal Chugh
Managing Director



FINANCIAL HIGHLIGHTS

(Rs. In Lacs or as Indicated)

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Gross Working	2037	2306	2877	3432	3433	2864	2647
Fixed Assets (Net)	125	129	134	139	148	140	129
Investments	50	92	111	111	119	116	116
Gross Loans & Advances	1048	1508	1775	2067	2069	1821	1604
Net Loans & Advances	1279	1264	1444	1673	1648	1454	1303
Current Assets	147	144	167	173	184	176	140
Deposits & Debentures	758	798	1102	1365	1364	1196	1043
Current Liabilities & Provisions	106	318	232	161	187	224	198
Equity Share Capital	299	299	299	299	299	299	299
Reserves & Surplus	216	212	207	202	188	167	146
Net Worth	515	511	506	501	486	465	444
OPERATING PERFORMANCE							
Revenue	287	331	379	451	395	335	307
Gross Profit Earnings	12	15	17	85	81	77	62
Profit Before Tax	5	7	10	75	75	72	59
Profit after Tax	4	5	4	49	52	53	46
Earning per share(in Rs.)	0.15	0.18	0.14	1.66	1.73	1.79	1.53
Rate of Dividend	----	----	-----	9%	9%	9%	8%
GROSS PROFIT EARNINGS							
As a percentage of							
Revenue	4.18	4.53	4.49	18.85	20.51	22.98	20.20
Net Worth	2.33	2.94	3.36	16.97	16.67	16.56	13.97

PHF LEASING LIMITED



