PHF
LEASING LIMITED.
Regd. & Corp. Office : 923, G.T. Road Jalandhar (Pb.) INDIA
Ph. : 0181-4639903-04
email : phf_leasingltd@yahoo.co.in
Website : www.phfleasing.com
CIN No. : L65110PB1992PLC012488

August 30, 2022

To,
Head- Listing & Compliance
Metropolitan Stock Exchange of India Limited (MSEI)
Building A, Unit 205A, 2nd Floor,
Piramal Agastya Corporate Park,
L.B.S Road, Kurla West, Mumbai - 400 070

Sub: Submission of 30th Annual Report of the Company under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Ref: Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to the provisions of Regulation 34(1) of the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")** ***as amended***, please find enclosed herewith the Annual Report for the Financial Year 2021-22 along with the Notice of 30th Annual General Meeting of PHF Leasing Limited.

Kindly take the same on your record.

For and on behalf of
PHF Leasing Limited

SHIKHA KAPOOR
Digitally signed by SHIKHA KAPOOR
Date: 2022.08.30 21:39:55 +05'30'

Shikha Kapoor
Company Secretary
Membership No: A19146

PHF LEASING LTD.

Building Bharat

ANNUAL REPORT 2021-2022

30 Years EXCELLENCE

WHOLE TIME DIRECTOR'S NOTE

Dear Investors,

At the outset, I express my sincere gratitude for your support and confidence over the last two years where we have successfully charted the transition path towards profitable growth and expansion. It is with immense pride that I report all-time record performance achieved by your Company in the financial year 2021-22 under the overall strategic direction and financial support of our mentors, investors and directors. Topline growth achieved through strong volume growth coupled with agile margin management, prudent fixed cost and working capital management were the fundamental levers driving the success of your Company. You may be pleased to note that your Company ended the year with 354.53% growth in less than 2 years business since Board decision for transformation of the Company and that too during pandemic. The Company is now well positioned to leverage on its strengths to cross 100 crores in the Current financial year. Our teams have demonstrated tremendous resilience during turbulent covid crisis times to deliver the extraordinary results that we have witnessed during the year. I humbly salute and thank each and every member of the PHF family for their invaluable contributions towards an outstanding year. The Indian economy registered a smart recovery during the FY 2021-22 by registering a GDP growth of 8.7%, as per World Bank estimates, after a contraction of 7.3% witnessed in the preceding year. India's GDP grew by 3.95% in the reporting year. Industrial activity registered a sharp rebound in the year growing by 11.8% with robust growth in the automotive, construction and consumer durables segments. Your Company outperformed the market in every segment to register revenue from operations of Rs. 8.55 crores, a growth of 145.20% Y-o-Y. Keeping our customers as our top-most priority and delivering services on a sustained basis, your Company recorded significant growth in volumes in every quarter of the financial year 2021-22 in comparison to prior year. The significant increase in earnings and prudent capital management enabled increase the Return on Capital Employed (ROCE) to 8.99%. Your Company also ended FY 2021-22 AUM of Rs. 47.02 crores, against AUM of Rs. 10.61 Crores in the FY. 2019-20, a significant achievement given the overall macroeconomic scenario. Your Company continues to launch new innovative tech enabled products and solutions to become leader in the Industry with lates technological products and processes. Your Company besides providing medical insurance, provided vaccination to all employees which contributed to their wellbeing and enabled them to operate seamlessly through these challenging times. We are currently in times of high business uncertainty and business is vulnerable to large number of factors with COVID is still prevalent, geo-political tensions with the war in Ukraine, persisting supply chain challenges, global inflationary pressures and rising interest rates etc. casting a shadow on demand development, that will influence our business in the coming year. The resilience of our team and the mitigation measures developed to deal with the uncertainties and challenges give me the confidence that we are well positioned to continue to perform well even in these uncertain times. I thank you once again for your support and confidence and look forward to continuing our path of Building Bharat and achieve Sustainable and Profitable Growth.

With Best Wishes

Vijay Kumar Sareen
Whole-time Director

BOARD OF DIRECTORS

1. **Mr. Vijay Kumar Sareen :** Mr. V.K. Sareen is the Whole time Director of the company. He is Ex-Vice-Principal and Head of PG Department at D.A.V. College, Jalandhar. After passing M.Com (with distinction) from University Business School, Punjab University, Chandigarh, he joined D.A.V. College in 1980. As a Project Director, conducted various seminars, workshops, delivering guest lectures on varying topics in different colleges, he has co-chaired technical sessions, coordinated panel discussions.

2. **Mr. Vijay Kumar Bhandari :** Mr. V.K Bhandari is a Nominee Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India. He has expertise and rich experience of over 33 years in banking and finance field. During his tenure with Central Bank of India, he held various important positions in Audit, Regional, Zonal, Credit, Credit Monitoring, Merchant Banking, Treasury, International Divisions of the bank. He has been a Nominee Director of the Bank on the Board of following companies/ entities: - Infrastructure Leasing & Financial Services Ltd., (IL&FS) Mumbai - Indo-Zambia Bank Ltd. Lusaka (Zambia) - Cent Bank Home Finance Ltd., Bhopal - Central Bank Executors & Trustees Ltd, Mumbai

3. **Mr. Ashwani Kumar Jindal :** Mr. Ashwani Kumar Jindal is an Independent Director. He is a recognized member of the Institute of Chartered Accountants of India. He has an immense knowledgeable experience in Income Tax, GST and Auditing. Worked and dedicated for social cause and organize blood donation camps, Flag Hosting, Plantation and many more. He is Co-opted Member of Internal Audit Standard Board of ICAI for the year 2020-21 and remained co-opted member of Committee of Members in Industry & Business of ICAI for the year 2019-20. Also remained Co-opted member of Board of Studies of ICAI for the years 2016-2019. Also remained Co-opted member of Board of Studies of ICAI for the years 2016-2019. He remained as Chairman of Jalandhar Branch of NIRC of ICAI for three years in 2006, 2009 and 2013-14. He is Founder member and General Secretary of Chartered Accountants Association. He is also General Secretary of Income Tax & GST Bar Jalandhar.

4. **Ms. Aditi Kapur Arora** : Ms. Aditi Kapur Arora, is a qualified Company Secretary and a Law Graduate. She is also a Six Sigma Black Belt certified. She is also a Senior Partner in Kapur Law Firm, a leading civil law firm of Kapurthala established since 1925 and a Senior Partner in M/s Arora and Associates, a leading multi-disciplinary law firm based at Jalandhar. Her expertise includes corporate laws, management consultancy and BPR solutions. She has been handling independently legal matters of the reputed organizations in the region including Consumer Litigation, Arbitration Matters, and Revenue Matters etc.

5. **Mr. Meghal Gupta** : Mr. Meghal Gupta is a Non- Executive Professional Director on the Board of the Company since May 20, 2021. Mr. Meghal Gupta is an Engineer by profession. He has a broad experience in NBFC and finance sector. He is also the promoter of Hamco Ispat Private Limited, a leading manufacturer and exporter of wide range of industrial tools. He has worked as an Engineer with Happy Forgings Private Limited, GNA Axles Limited and NK Industries Limited.

6. **Mr. Chandan Chugh :** Mr. Chandan Chugh is a graduate in Hotel Management. He is having more than 13 years of experience in the NBFC industry and having wide knowledge of all aspects of NBFC business. He also contributes in the Management of the Company and also involved in the Business Administration and Policy Decisions of the Company.

7. **Mr. Yaduvendra Mathur :** Mr. Yaduvendra Mathur is an Indian Administrative Service Officer of the 1986 batch. He has also done a first Class Graduate in Economics and an MBA in Finance. Mr. Mathur has worked with Associated Cement Companies in Mumbai between 1982 – 1984 before joining the Indian Revenue Services (Income Tax) in 1984 and then the Indian Administrative Service (IAS) in 1986, topping his batch. Before joining NITI Aayog, he was Chairman and Managing Director of Exim Bank from February 2014 to February, 2017. In NITI Aayog, he headed numerous policy verticals including infrastructure management and the Knowledge and Innovation Group. He was on the Board of Dedicated Freight Corridor Corporation. After retirement from rank of Secretary to Govt. of India, he was appointed as Regional Co-ordinator in International Solar Alliance. He had long stints in various positions in the Finance Department including Principal Secretary Finance, Government of Rajasthan. Mr. Mathur was Collector & District Magistrate of Bhilwara and Bharatpur and has also served for over three years as Senior Deputy Director at the Lal Bahadur Shastri National Academy of Administration, Mussoorie. Mr. Mathur has interests in entrepreneurship development, infrastructure financing regulatory issues and in behavioural sciences.

STATUTORY COMMITTEES

1. AUDIT COMMITTEE

Mr. Ashwani Kumar Jindal	Chairman (Independent Director)
Mr. Vijay Kumar Sareen	Member (Whole time Director)
Ms. Aditi Kapur	Member (Independent Director)

2. NOMINATION AND REMUNERATION COMMITTEE

Mr. Ashwani Kumar Jindal	Chairman (Independent Director)
Mr. Aditi Kapur	Member (Independent Director)
Mr. Vijay Kumar Sareen	Member (Whole time Director)
Mr. Vijay Kumar Bhandari	Member (Nominee Director)

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Chandan Chugh	Chairman (Non-Executive Director)
Mr. Meghal Gupta	Member (Non-Executive Director)
Mr. Vijay Kumar Sareen	Member (Whole time Director)
Ms. Aditi Kapur	Member (Independent Director)

4. RISK MANAGEMENT COMMITTEE

Mr. Ashwani Kumar Jindal	Chairman (Independent Director)
Mr. Meghal Gupta	Member (Non- Executive Director)
Mr. Vijay Kumar Sareen	Member (Whole time Director)
Mr. Vijay Kumar Bhandari	Member (Nominee Director)

5. ASSET LIABILITY MANAGEMENT COMMITTEE

Mr. Vijay Kumar Sareen	Chairman (Whole time Director)
Mr. Meghal Gupta	Member (Non- Executive Director)
Mr. Kuldeep Bhandari	Member (Chief Financial Officer)
Ms. Priya Goyal	Member (Manager - Finance)

Corporate Information

CIN: L65110PB1992PLC012488

1. STATUTORY AUDITORS

M/S GSA & Associates LLP
FRN.: 000257N/N500339
16, DDA Flats, GF,
Panchsheel-Shivalik Mor,
Near Malviya Nagar, New Delhi-110017

2. INTERNAL AUDITORS

M/S D J N K & CO LLP (formerly known as M/s JAC & Associates LLP)
FRN 013170N/N500368
365 R, Model Town
Jalandhar-144003, Punjab, India

3. SECTRETARIAL AUDITORS

Harsh Goyal & Associates
M.NO: 3314
1st Floor, Noble Enclave,
Bhai wala Chowk, Ferozepur Road,
Ludhiana- 144001, Punjab, India.

4. DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85,
No. 94 & 95, Bhusari Colony,
Kothrud Pune-411038, India

Mitcon Credentia Trusteeship Services Limited (formerly known as MITCON Trusteeship Services Limited)
1st Floor, Kubera Chambers
Shivaji nagar, Pune – 411 005,
Maharashtra, India

Mr. Ashish Gupta
80, Vijay Nagar, Jalandhar, Punjab

Mr. Atam Parkash Sharma
218, Near Police Post No 7, Garha, Jalandhar, Punjab-144001

5. REGISTRAR & TRANSFER AGENT

M/s Skyline Financial Services Private Limited
D-153A , 1st Floor, Okhla Industrial Area,
Phase -I, New Delhi - 110 020, India

6. REGISTERED & CORPORATE OFFICE

Regd. off: 923, G.T. ROAD Jalandhar-144001, Punjab, India
Corp off: 87, Radio Colony, Jalandhar-144001, Punjab, India

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ABOUT THE COMPANY

PHF Leasing Limited founded in 1992, is a Punjab based Non-Banking Financial Company listed on Metropolitan Stock Exchange of India (MSEI) and serving thousands of customers by financing various kinds of vehicle loans and loan against property. E-Rickshaw loan, Used car loan, Loans against property for business, Housing, Home, Education, Medical, School college fees.

As per the RBI guidelines, the Company is termed as Non-Systemically Important Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India (RBI) and is continuously engaged in the business of lending in Punjab and Himachal Pradesh.

Since its inception, the company has persistently carried out its operations to serve the unbanked and under-served section of the society and understanding the customer needs and serving them through its wide-ranging product offering across asset classes.

PHF is into making available finance solutions to masses who comprise bottom of the pyramid, in a way benefitting sections of the society who are deprived of the desired financial aid from banking sector due to various reasons. PHF is helping in the financial inclusion process.

In its Core Business, Company operates with transparent policies, well - managed team at Head Office & Branches and positive efforts of field officers. There are three branches located at Amritsar, Batala and Kapurthala and Collection Centers at Tarn Taran, Ludhiana, Ferozepur, Hoshairpur. The company has planned to diversify in the states of HP, Rajasthan, Uttar Pardesh and Haryana during the year 2022-23. Considering its the growth potential, the Company is planning to open its new centres at Mohali, Una, Jammu and Jaipur.

Furthermore, the Company's focus has always been to bring Good Governance in the company and mitigating risk on Capital apatite by widening the equity shareholding through infusing Strategic Investors having rich experience in the similar line of business.

GLOBAL ECONOMIC OVERVIEW

Global economy remained adversely affected in the financial year 2021-22 with the re-emergence of COVID-19 in its various forms latest being Omicron. There has been a global health and humanitarian crisis which has resulted in economic and social distress on a scale we have not seen in our generations. After the debilitating second wave and third wave of the pandemic, progressive and rapid vaccination programs helped to limiting the spread of the virus and providing relief to vulnerable population. The global recovery started showing an economic revival in third and fourth quarter of year under review, which has been dampened in the near term by a resurgence of COVID-19 cases, and is expected to strengthen over the projected period as confidence, consumption, and trade gradually improve, supported by ongoing vaccination programme.

The Russia-Ukraine war has resulted in economic catastrophe for all sections of society not only in warring countries but rest of the world including India. India is also affected in long run due to crude oil and other intergrade issues. The situation continues to impact all our stakeholders– employees, clients, investors and communities we operate in.

Global economic Growth is projected to decline from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies -1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies––triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID- 19 outbreaks and lockdowns; and further negative spill overs from the war in Ukraine. The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook.

OVERVIEW OF INDIAN ECONOMY FY 2021-22

Indian economy reverted to growth in FY22 reporting a growth of 8.7%, after a dip of 6.6%. While the first half of FY22 witnessed decent economic revival after the 2nd wave of the pandemic, the momentum was broken in the second half of FY22 on account of the 3rd wave of Covid and fallout from the geo-political developments in Europe. The adverse impact of the 3rd wave was very limited due to lockdowns being localised and better preparedness of the State Governments to handle the health crisis. Economic recovery during FY22 was also supported by large-scale vaccination and sustained fiscal and monetary support.

As per the provisional estimate of the National Statistical Office, the economic growth in FY22 was broad based across sectors with agriculture (3% YoY), industry (10.3% YoY) and services (8.4% YoY) registering a positive growth rate partly helped by a favourable statistical base. Both exports and imports grew by 24.3% and 35.5% YoY, respectively. India continues to be recognised as the fastest-growing major economy with a GDP growth of 8.7% in FY22. However, private consumption spending, especially in the rural belts remained weak throughout FY22, led by uneven monsoon rainfall, large number of extreme rainfall events, weak non-farm employment generation and unfavourable terms of trade for farmers.

Overall, the Indian financial sector remained fully functional during FY22 and anchored the process of economic recovery. Looking at the pace of recovery, the Reserve Bank of India (RBI) turned to rebalancing of liquidity on a dynamic basis during the year FY22, while maintaining adequate liquidity in support of its accommodative stance.

However, in the last quarter of FY22, the post-pandemic recovery of Indian economy was partially hit by an economic disruption caused by the war in Ukraine and the consequent economic sanctions on Russia, which are likely to reduce global growth and push up inflation.

OUTLOOK FOR FY23

According to CRISIL – the domestic rating agency, India's real GDP will grow by 7.3% in FY23, with risks tilted to the downside. At the end of FY22, risks to India's economic growth have shifted from Covid pandemic to geopolitics, elevated crude oil prices and interest rate hikes by the US Federal Reserve. CRISIL research has projected Brent crude oil prices at $ 94-99 per barrel for FY23. If oil price stays higher than that in FY23 then it will create risks to India's growth, inflation and current account position. Global think-tanks and rating agencies too are projecting around 7-7.5% growth for India during FY23, with downside risks. Domestic growth in FY23 will primarily be supported by a continued vaccination drive and supportive favourable fiscal and monetary policies.

India's FY23 growth projection (%)

Institute	India's FY23 growth projection
IMF	8.2%
World Bank	7.5%
OECD	6.9%
United Nations	6.4%
RBI	7.2%
Fitch	7.8%
Moody	8.4%
S&P	7.3%

Bond yields and bank interest rates will rise at a faster pace because of adverse spillovers from the actions of global central banks, higher market borrowings by the Central and State Governments, surging crude oil prices and inflation risks.

FINANCIAL SERVICES - NBFC SECTOR

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022 there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat. The total credit outstanding from the NBFCs for Financial Year 2020-21 stood at Rs.23.75 trillion and is expected to grow by 6-7% in the Financial Year 2021-22. This growth was mainly led by growth in the housing, auto, gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the second and third quarters of Financial Year 2021-22, the trend is expected to continue in Q4 of Financial Year 2021-22 due to the limited impact of the third wave of the pandemic. The disbursement growth would have to remain healthier for a sustained AUM growth. Besides, bank credit growth to the NBFC sector improved significantly to 14.6% in February 2022 from 7% a year ago.

FINANCIAL AND OPERATIONAL PERFORMANCE

S. No.	Particulars	2021-2022	2020-21	Change (in %)	Reason for increase in ratios more than 25%
1	Total Income (including exceptional items)	863.44	353.35	144.36%	Due to increase in Loan Portfolio on expansion and diversification into Two Wheeler segment and Mortgage loans, Loan against property
2	Net Interest Income	855.2	348.8	145.18%	-do-
3	Assets Under Management	4702.65	2717.86	73.03%	-do-
4	Net worth	1045.38	468.65	123.06%	Due to increased capital base
5	Profit after tax	70.9	-47.78	248.39%	Due to increase in business

6	Capital Adequacy Ratio	30%	17%	76.47%	Due to increased capital base
7	Return on total assets	1.53%	-2.14%	171.57%	Due to increased profitability
8	Debt Equity Ratio	4.47x	4.99x	-10.24%	Due to increased capital base
9	Net Profit Margin	8.21%	-13.52%	160.73%	Due to increase in business
10	Return on Net Worth	9.37%	-9.68%	196.79%	Due to increase in business and profitability

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. Internal Audit areas are planned based on inherent risk assessment, risk score and other factors such as probability, impact, significance and strength of the control environment. Further, each area processes/sub-processes risks were properly identified with mitigating controls. Its adequacy is assessed and the operating effectiveness was also tested. The Company has framed risk based internal audit policy as part of its oversight function. The objective of risk based internal audit review is to identify the key activities and controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide recommendations for business process and internal control improvement.

FUTURE STRATEGY

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

- Periodical review of pandemic risks, Business Continuity plan, liquidity management
- To focus on digital initiatives to effectively service customers and to educate customers on the digital payment of EMIs
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery
- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction

HUMAN RESOURCES

As a financial services provider, people are the greatest assets and the core strength to your Company's business. The Company has a robust organization structure with network of opening new collection centers and recruiting new employees. The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel possessing ability to build teams and nurture leaderships for future growth plans of the Company. There were 80 employees on rolls during F.Y. 2021- 22 and total strength of employees as on 31st March, 2022 was 112. The Company has embarked on its journey of "Friendly workplace" which has helped to look at employee engagement in a more holistic way.

SWOT ANALYSIS

OUR STRENGHTS

- Strategic Directions
- Well-defined and scalable organizational structure based on product, territory and process knowledge
- Strong relationships with investors, dealers, customers
- Talented & dedicated employees
- Experienced senior management team

OUR WEAKNESSES

- Regulatory restrictions Small capital base
- Negative effects on companies' customers of economic downturn

OUR OPPORTUNITIES

- Huge opportunity to finance as more and more customers
- Large untapped market Growth in industry

OUR THREATS

- Inflation Geopolitical crisis
- Contraction in economy
- Falling interest rates leading to pressures on revenue despite growing volume of business entry of banks & big NBFCs in segments catered by NBFCs earlier
- Competition from captive finance companies and small banks
- Restrictions on hard recovery Increase in finance cost due to larger liquidity buffer maintained to face uncertainties of pandemic

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company operates in India and is primarily engaged in the business of financing, hence it is considered to operate only in domestic segment. All operations of the Company are considered as single business segment. Therefore, the Company does not have any separate reportable segment.

RISK MANAGEMENT

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, cash management risk, technology risks, etc. The Company has an Enterprise Risk Management Framework that involves risk identification, risk assessment and risk mitigation planning.

The Board of Directors has constituted a Risk Management Committee consisting of the majority of Directors. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the risk management plan and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identifying, assessing, aggregating, reporting and monitoring the risk related to their respective areas/functions.

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

To mitigate interest rate risk, we have developed innovative resource mobilization techniques. To reduce liquidity risks, we have diversified the source of fund raising and widened the borrowing options to exploit opportunities and industry appetite. We have adopted prudent fund management practices.

The Company's **Asset Liability Management Committee** regularly reviews, among others, the interest rate and liquidity risks. We are diversifying our financing portfolio in E-Rickshaw financing, Used car financing, Education Loan, Business Loan, Medical Loan, Fee Financing.

In order to mitigate cash management risk associated with collection of loan instalments, we have continued our focus on boarding our customers on technology platform. We have started with E-NACH collections from our customers. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis. The Company intends to gather more insights and analytics through this and continue on its path of innovation for future.

DISCLOSURE OF ACCOUNTING TREATMENT

The Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc. available on the public domain which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

	Sd/-	Sd/-
	Meghal Gupta	**Vijay Kumar Sareen**
Place: Jalandhar	**(Director)**	**(Whole Time Director)**
Date: 26th May, 2022	**DIN: 09179500**	**DIN: 07978240**

Board Of Directors Report

To
The Esteemed Members

The Board of Directors ("Board") of PHF Leasing Limited ("your Company" or "the Company") is feeling delighted to present their 30th (Thirtieth) Annual Report with the Audited Financial Statements of the Company for the financial year ended March 31, 2022 ("FY 2021-22") or "period under review" or "financial year under review".

1. FINANCIAL AND OPERATIONAL SUMMARY

1.1 Financial Highlights

The Company's summarized financial performance for the financial year ended March 31, 2022 as compared to the previous financial year ended March 31, 2021 are as under:

(in Lacs)

PARTICULARS	For period ended March 31, 2022 (Audited)	For period ended March 31, 2021 (Audited)
Total Revenue from Operations	855.27	348.80
Interest Expenses	846.97	404.09
Profit/ (Loss) before exceptional and extraordinary items and tax	**16.47**	**(50.74)**
Exceptional items	75.00	0.00
Profit/ (Loss) before tax	**91.47**	**(50.74)**
Tax expense	(20.57)	2.96
Net Profit/(Loss) for the period	**70.90**	**(47.78)**
Total Comprehensive Income / (Loss) for the period	**75.80**	**(49.18)**
Reserves & Surplus excluding revaluation reserves	**525.07**	**203.17**
Dividend %	-	-
Earnings Per Share (In Rs.)		
• Basic	2.04	(1.60)
• Diluted	2.04	(1.60)

The above figures are extracted from the Standalone Financial Statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

i) Revenue from Operations

During the F.Y.2021-22, Revenue from Operations of your Company increased to Rs. 855.27 Lakhs marking a tremendous growth of 145% over the previous year's Revenue of Rs. 348.80 Lakhs. The Company has observed an increase in the revenue from operations during the current financial year as a result of increase in the operations of the Company. The growth in the business has also been accompanied by improvements in efficiency parameters. The Company has been successful in introducing and managing its products in the industry.

ii) Profit Before Tax (PBT)

Your Company earned Profit Before Tax Rs. 91.47 Lakhs for the FY 2021-22 as against the loss of Rs. 50.74 Lakhs in the previous Financial Year ending March 31, 2021 on account of efficient mobilization of funds and improvement of collection efficiency. The detailed analysis of income and expenditure and financial ratios is made in the Management Discussions and Analysis Report forming part of this Report.

iii) Profit After Tax (PAT)

The Profit after Tax (PAT) for the FY 2021-22 is Rs. 70.90 Lakhs as compared to loss of Rs. 47.78 Lakhs in the previous financial year 2020-21. The Company has formulated various strategies and is working hard to increase the business.

iv) Earnings Per Share

The Company has earned profits in the financial year under review, hence, the Earnings Per Share (EPS) of the Company is recorded at Rs. 2.04 for the FY 2021-22.

v) Capital to Risk Weighted Assets Ratio (CRAR)

The Company's Capital to Risk Weighted Assets Ratio (CRAR) stood at 32.39% as at the end of the financial year under review as compared to 17.07% as on March 31, 2021 of the aggregate risk weighted assets on balance sheet, which is well above the regulatory minimum of 15%. The CRAR has substantially improved as result of further strengthening of capital through successive issue of fresh Equity shares during the financial year 2021-22 on preferential basis to existing shareholders and various development and diversification plans. The details of the said issue of fresh capital are given under the title Share Capital. The details of the said issue of fresh capital are given under the title Share Capital.

The Tier 1 ratio as on March 31, 2022 improved to 20.33% as against 15.50% as on March 31, 2021.

The Tier 2 ratio as on March 31, 2022 is 12.02% as against 1.56% as on March 31, 2021.

1.2 Operational Highlights

i) Branch Expansion

The Company has expanded its distribution capabilities and has expanded its presence in the state of Punjab and Himachal Pradesh by adding large number of dealers and sub dealers at various locations. Concurrently, the Company has emphasized on increasing the operational efficiency of the existing branches and other offices.

Employees at all levels were recruited and the strength went up from about 81 employees as on March 2021 to 152 as on March 2022.

ii) Operational Cost

The Company has expanded its operations in various locations which has resulted in increase in the employee benefits expenses. Consequently, the operational cost of the Company has also increased during the financial year under review. However, this increase as an investment of the Company would help the Company in long run.

During the year, the operational and financial performance of your Company was as follows:

Particulars	March 31, 2022	March 31, 2021
Branches	3	3
Collection Centers	4	3

No. of Borrowers	6226	4305
Outstanding Loan Portfolio (Own Book) (Rs. In lakhs)	4654.06	2638.66
Loan Disbursed in FY (Rs. In lakhs)	4702.35	2717.86
Total Assets (Rs. In lakhs)	6108.68	3164.56

2. LENDING OPERATIONS

Disbursements

During the Financial Year 2021-22, the amount of loans disbursed were Rs. 4702.00 Lacs, screening an increase of 73% as compared to previous year's loan disbursals of Rs. 2717.86 Lacs due to expansion and diversification undertaken by the company.

3. RECOVERY & STRESSED ASSETS MANAGEMENT

As on March 31, 2022 the Gross NPA stood at Rs. 234.61 as against the previous year's figure of Rs.243.80. Over all the net NPA of the Company as on March 31, 2022 Increased by 0.17% owing to better recovery actions against the NPAs and overdue cases. This remarks an improved recovery measures adopted by the Company.

4. SHARE CAPITAL AND DEBENTURES

4.1 Capital Structure

To strengthen the Company's capital base and balance sheet and to augment the long-term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate a nd other purposes, the Authorized Share Capital of the Company was increased to Rs. 10,00,00,000/ - (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each during the year under review.

The Issued and Subscribed Share Capital of the Company as on March 31, 2022 stood at Rs. 5,51,45,000/ - (Rupees Five Crores Fifty One Lacs and Forty Five Thousand Only) divided into 55,14,500 (Fifty Five Lacs Fourteen Thousand and Five Hundred) equity shares of Rs. 10/- (Rupees Ten Only) each whereas the Paid-up Share Capital of the Company as on March 31, 2022 stood at Rs. 5,50,00,000/ - (Rupees Five Crores and Fifty Lacs Only) divided into 55,00,000 (Fifty-Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The difference is on account of the 14,500 (Fourteen Thousand and Five Hundred) forfeited equity shares of the Company.

4.2 Raising of Funds/Capital

A. Preferential Issue of Equity Shares

During the financial year under review, the Company allotted Equity Shares as follows:

(Amount in Rs.)

Date	Particulars	No. of Equity Shares	Nominal Value	Issue Price	Equity Share Capital	Cumulative Paid up Share Capital
April 01, 2021	Opening Balance	29,87,800	10	-	2,98,78,000	2,98,78,000
September 28, 2021	Preferential Allotment	9,62,200	10	20/- (incl premium of Rs. 10/-)	96,22,000	3,95,00,000

March 31, 2022	Preferential Allotment	15,50,000	10	20/- (incl premium of Rs. 10/-)	1,55,00,000	5,50,00,000
March 31, 2022	Closing Balance	55,00,000	10	-	5,50,00,000	5,50,00,000

The entire proceeds that were raised on September 28, 2021 were utilised as per the above mentioned objects of the Preferential Issue whereas, the proceeds that were raised on March 31, 2022 remained unutilised as on March 31, 2022.

B. Private Placement Issues of Non-Convertible Debentures

During the financial year under review, the Company had allotted Secured Redeemable Non-Convertible Debentures (SRNCDs) on private placement basis as follows:

SRNCD/SDB	**No. of Debentures**	**Nominal Amount (Rs.)**	**Total Amount (Rs.)**
SRNCD (Series-I)	20650	1000	2,06,50,000
SRNCD (Series-II)	14990	1000	1,49,90,000
Total	**35640**		**3,56,40,000**

During the financial year under review, the Company had allotted Subordinate debt Bonds (in the nature of Unsecured Redeemable Non-Convertible Debentures) (SDBs) on private placement basis as follows:

SRNCD/SDB	**No. of Debentures**	**Nominal Amount (Rs.)**	**Total Amount (Rs.)**
SDB (Series SD-I)	5862	10000	5,86,20,000
Total	**5862**		**5,86,20,000**

4.3 Banks/FIs

The total Borrowings of the Company stood at Rs. 4815.76 lacs as on March 31, 2022 as against Rs. 2543.23 lacs in the previous year. The Company borrowed Rs. 1520 lacs as secured term loan from different banks/FIs during the financial year under review. The company borrowed the Cash credit limit of Rs. 300 lacs from Bank during the financial year 2021-22.

The Company deepened its relationships with the existing bankers in terms of additional working capital and term loan facilities.

5. DIVIDEND

Keeping in view the performance of the Company and to preserve the profits for future expansion, the Board has decided to plough back its profits and has not recommended any dividend for the financial year under review.

6. CREDIT RATING

The securities of the Company are not rated but your Company is planning to apply for the credit rating with different credit rating agencies during the financial year 2022-23 on account of the Company's AUM, Net Worth, Asset Size, Portfolio at Risk that has improved substantially during the year under review.

7. RISK MANAGEMENT

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as pandemic risk, credit risk, liquidity risk, operational risk) that may arise as a consequence of its business operations as well as its financing activities. The Company has in place a process to identify and mitigate various risks associated with the business. These are periodically reviewed to ensure that the key risks are well identified, and controls are put in place.

Brief description of the risks is as below:

Liquidity and Funding Risk: Liquidity risk refers to the risk where the company cannot meet its financial obligations. The Company measures and assess the same by identifying the gaps in the structural and dynamic liquidity statements. The Company also calculate the risk by assessing the incremental borrowings required for meeting the repayment obligation. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Credit Risk: Credit risk primarily arises from cash and cash equivalents, financial assets measured at amortized cost, financial assets measured at fair value through profit or loss and trade receivables. The Company has in place the frameworks, policies, procedures and systems for managing the credit risk.

Operational Risk: Operational risk arises from the potential for loss due to significant deficiencies in system reliability or integrity. Most important types of operational risk involve breakdowns in internal controls and corporate governance. Such breakdowns can lead to financial losses through error, fraud, etc. Operational Risks lead to delays in loan sanctions, loan disbursements, other compliances, etc. The Operational Risks are identified periodically through the internal audit and corrective measures are taken by the Company accordingly.

The Company has constituted the Risk Management Committee which assist the Board in its oversight of various risks, review of compliance with risk policies, monitoring of risk tolerance limits, review and analyse the risk exposures related to specific issues and provides oversight of risk across the organization. Effective risk management is integral to the Company’s operations and is embedded in its day-to-day business transactions and activities. The framework in place seeks to identify, prioritise, mitigate, monitor and appropriately report any significant threat to the organisation’s strategic objectives, its reputation, operational continuity, environment, compliance, and the health and safety of its employees.

Asset Liability Management

The Board of Directors has the overall responsibility for establishing the risk management framework for the Company. The Board in turn has established an Asset Liability Management Committee (ALCO) for evaluating, monitoring and reviewing liquidity and interest rate risks arising in the Company on both sides of the Balance sheet. The Board based on recommendations from the ALCO has prescribed policies and the risk limits for the management of liquidity risk.

ALCO Committee is responsible for managing the risks arising out of Asset Liability mismatches consistent with the regulatory requirements and internal risk tolerances established by the Board. Amongst other responsibilities, ALCO has been empowered to decide the rate of interest for the various portfolios and funding mix for the company in light of the future business strategy, risk matrix, market standards, practices and prevailing market conditions. The scope of ALCO has been commensurate with the requirements of the master directions given by the Reserve Bank of India.

Your Company has duly constituted an Asset Liability Management Committee (ALCO) for monitoring various risks such as Liquidity risk, Interest rate risk and the Currency risk. The ALCO determines the asset liability management strategy as per the prevailing and expected business environment and reviews major decisions affecting the business and working results, ALM mismatches, budgeting, resources etc. Your Company follows a reporting system of Asset Liability Management to review the mismatches, accordingly, remedial measures are taken.

8. REGULATORY UPDATE

8.1 Compliance with Applicable Laws

The Company being registered as deposit taking NBFC with Reserve Bank of India, has complied with all the relevant guidelines and directions issued by the Reserve Bank of India from time to time and other applicable laws.

The Company confirms that being a listed Company, the disclosures have been made as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial under review.

The Company has filed all the requisite information and forms with the Registrar of Companies (ROC), Chandigarh as required under the Companies Act, 2013 during the financial year under review.

The Company further confirms that being an issuer of various securities have complied with applicable provisions, terms and conditions of contracts, agreements executed with stock exchange, debenture trustees, depositories, depositories participants & Registrar & Transfer Agent for the time being in force.

8.2 Compliance with Secretarial Standards

The Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.

9. DETAILS OF SUBSIDIARIES/ ASSOCIATES/JOINT VENTURES

During the Financial Year ended on March 31, 2022, no company became or ceased to be the subsidiary/ associate/ joint venture of the Company.

10. TRANSFER TO GENERAL RESERVES/STATUTORY RESERVES

The Board of Directors are pleased to report that with an objective of reinforcing the financial strength, an amount of Rs. 14.18 Lacs being 20% of the profit after tax (PAT) has been transferred to Statutory Reserve of the Company during the financial year under review pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

11. INTERNAL CONTROLS

11.1 Internal Financial Controls

The Board of Directors confirms that the Company has laid down a set of standards, processes and structure which enables it to implement Internal Financial Controls across the organisation with reference to Financial Statements and that such controls are adequate and are operating effectively. This includes its design, implementation and maintenance along with periodic internal review of operational effectiveness and sustenance, and whether these are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records, the timely preparation of reliable financial information and prevention and detection of frauds and errors. Internal financial controls with reference to the financial statements were adequate and operating effectively.

Assurance on the effectiveness of Internal Financial Controls is obtained through management reviews, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the internal auditors during the course of their audits. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls.

11.2 Internal Control Systems

The Company has in place, well defined and adequate Internal Control System and mechanism commensurate with size, scale and complexity of its operations to ensure control of entire business and assets. The Internal Audit reports are periodically reviewed by the Audit Committee.

12. LISTING STATUS OF THE COMPANY

The Company "PHF LEASING LIMITED" got listed on Metropolitan Stock Exchange of India (MSEI) on May 16, 2018 and admitted for dealings on the MSEI w.e.f. May 21, 2018 vide circular no. MSE/LIST/6322/2018. Therefore, the Company being a listed entity is complying with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), if any as applicable on the company.

13. DEPOSITS

The Company is registered with the Reserve Bank of India as Deposit taking NBFC. As the company has not obtained the minimum investment grade till date, thus, the Company has neither accepted fresh public deposits since financial year 2015-16 nor renewed the public deposits since financial year 2016-17.

The company is planning to increase the asset size and thereafter apply for obtaining the minimum investment grade in order to comply with the Reserve Bank of India - **Master Direction RBI/DNBR/2016-17/45 DNBR.PD.008/03.10.119/2016-17 – "Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**" in order to accept Public Deposits.

14. ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, the Annual Return of the Company is hosted on website of the company at the web link https://phfleasing.com.

15. LOANS, GUARANTEES OR INVESTMENTS

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantee have not been disclosed in this Report.

16. CORPORATE SOCIAL RESPONSIBILITY

In the midst of certain uncertainties in the overall financial sector of the Country, the Company has continued to demonstrate its commitment to a wide range of social initiatives. The Company basically is a socially responsible institution and has holistic approach to go green and save little angles alleviation. The provisions of Section 135 of the Act are not applicable to the Company, therefore, no disclosure is required under this clause.

17. AUDITS & INSPECTION OF ACCOUNTS

17.1 Statutory Auditors

In accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India (RBI) vide Notification Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021 ("RBI Guidelines") and pursuant to the provisions of Section 139(8) and other applicable provisions of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and upon recommendation of the Audit Committee and Board of Directors**,** the Company in its 29th Annual General Meeting (AGM) held on September 23, 2021 had appointed M/s GSA & Associates LLP, Chartered Accountants, having FRN.: 000257N/N500339, as Statutory Auditors of the Company to hold office for a term of three years until the conclusion of the 32nd Annual General Meeting to be held in the year 2024.

17.2 Auditors' Report

M/s GSA & Associates LLP Chartered Accountants, Statutory Auditors of the Company, have audited the financial statements of the Company for the financial year ended on March 31, 2022. Pursuant to section 143(3) of the Act, the Statutory Auditors have also reported on the adequacy and operating effectiveness of the internal financial controls system over financial reporting, which has been enclosed as 'Annexure to Independent Auditors' Report'.

There is no qualification made by the Statutory Auditors in their report.

17.3 Response of the Board to the Auditors' Comment

The Auditors' Report, read with notes to the accounts are self-explanatory and therefore, do not require further comments/elaborations pursuant to Section 134 of the Act.

17.4 Internal Audit

In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audits are conducted by independent internal auditors. They review internal controls, operating systems and procedures. The Audit function also proactively recommends improvement in operational process and service quality to mitigate various risks. Your Company has appointed M/s D J N K & CO LLP (*formerly* JAC & Associates LLP), Chartered Accountants (FRN: 013170N/N500368) as Internal Auditors for the FY 2021-22. The Audit Committee of the Company periodically reviews the significant findings of audits, as prescribed in the Companies Act, 2013.

17.5 Secretarial Auditors and Secretarial Audit Report

M/s Harsh Goyal & Associates, Company Secretaries (COP:2802) were appointed by the Board of Directors as the Secretarial Auditors of the Company to carry out the secretarial audit of the Company for the financial year ended on March 31, 2022, as required under Section 204 of the Act and rules framed thereunder.

The Secretarial Audit Report for the financial year ended on March 31, 2022 in Form MR-3 is annexed herewith to this Report and the same is self-explanatory. The report contains the observations in respect to the SEBI(LODR) and RBI compliances.

17.6 Response of the Board to the observations of Secretarial Auditors in their Secretarial Audit Report

The observations of the Secretarial Auditors are self-explanatory and therefore do not call for any further comments. Besides this, the Secretarial Audit report for the FY 2021-22 does not contain any other observations, qualification or adverse remarks.

17.7 Reporting of Frauds by Auditors

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

17.8 Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

18. CORPORATE GOVERNANCE

Your company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, investors, regulators and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

Your Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to PHF.

Your Company complies with the best Corporate Governance practices in true letter and spirit. At PHF, we evolve and follow the corporate governance guidelines and best practices diligently. Your Company considers it an inherent responsibility to disclose timely and accurate information regarding the operations & performance, leadership and governance of the Company. Your Company follows a culture based on trusteeship, transparency, empowerment, accountability and corporate ethics.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered during the financial year under review were in ordinary course of business and on an arm's length basis. Hence, no disclosure in Form AOC-2 is necessary and the same does not form part of this report. For details of the transactions with related party entered in ordinary course of business on an arm's length basis refer to the Note 34 to the financial statements.

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at the web link: https://phfleasing.com.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except as provided in the notes to the accounts.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO, IN MANNER PRESCRIBED

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

a. **Conservation of Energy**

The Company, being engaged in financing business within the country, does not have any activity-intensive to energy. However, significant measures are taken to reduce energy consumption by using energy efficient computers and electrical equipment's. The Company has allocated specific cost budgets for the same in its head office and all its branches to reduce electricity waste and the same is monitored on periodical basis.

b. **Technology Absorption**

The Company 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. However, the company has planned to shift its software to fully integrated LOS and LMS which will help in efficiency and reduction in cost.

The Company has not imported any technology during the last three financial years.

c. Foreign Exchange Earnings and Outgo

There was no foreign exchange earnings and outgo during the year.

21. DIRECTORS

21.1 BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors along with it Committees consists of professionals from varied disciplines, managers, supervisors and expertise staff in their respective profession and vocation. The day to day management of the affairs of the Company is entrusted with the senior management personnel, 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 stakeholder's value

COMPOSITION

In compliance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an optimum combination of executive and non-executive directors with a woman director on the Board. Detailed profile of the Directors is available on the Company's website at the web-link: https://www.phfleasing.com/about_us.html

Details of composition of the Board as on March 31, 2022 is given herein below:

DIN	Name of Directors	Designation	Qualification	Brief Profile
07978240	Mr. Vijay Kumar Sareen	Whole time Director	Post Graduate	Mr. V.K. Sareen is a Whole-time Director of the Company. He is Ex-Vice-Principal and Head of PG Department at D.A.V. College, Jalandhar. After passing M.Com (with distinction) from University Business School, Punjab University, Chandigarh, he joined D.A.V. College in 1980. As a Project Director, conducted various seminars, workshops, delivering guest lectures on varying topics in different colleges, he has co-chaired technical sessions, coordinated panel discussions and has judged inter-college quiz and other competitions.
00052716	Mr. Vijay Kumar Bhandari	Nominee Director	Chartered Accountant	Mr. V.K Bhandari is a Nominee Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India. He has expertise and rich experience of over 33 years in banking and finance field. During his tenure with Central Bank of India, he held various important positions in Audit, Regional, Zonal, Credit, Credit Monitoring, Merchant Banking, Treasury, International Divisions of the bank. He has been a Nominee Director of the Bank on the Board of following companies/ entities: - Infrastructure Leasing & Financial Services Ltd., (IL&FS) Mumbai - Indo-Zambia Bank Ltd. Lusaka (Zambia) - Cent Bank Home

				Finance Ltd., Bhopal - Central Bank Executors & Trustees Ltd, Mumbai He has travelled across the Globe for various Meetings/ Seminars/ Training programs including at Manchester Business School, Manchester (UK). He retired from Bank's services in October 2003 as General Manager in-charge of Treasury, International Division of the Bank. Post retirement he has been on the Board of Capital Local Area Bank Ltd. (now, Capital Small Finance Bank Ltd.)also, for eight years as an Independent Director. Currently, he is an Independent Director on the Board of the following companies in India: - HSIL Ltd, Gurgaon (Earlier name Hindustan Sanitaryware & Inds Ltd.) - Jayant Agro-organics ltd, Mumbai - Kopran Ltd., Mumbai - Guru Nanak Auto Enterprises Ltd., Goraya - Super Smelters Ltd., Kolkatta - Midland Microfin Ltd. Jalandhar (Non-executive Chairman) – Supershakti Metaliks Ltd., Kolkata. He also holds various positions as Chairman/ Member in many Board Committees of above-stated companies.
00670384	Mr. Ashwani Kumar Jindal	Independent Director	Chartered Accountant	Mr. Ashwani Kumar Jindal is an Independent Director. He is a recognized member of the Institute of Chartered Accountants of India. He has an immense knowledgeable experience in Income Tax, GST and Auditing. Worked and dedicated for social cause and organize blood donation camps, Flag Hosting, Plantation and many more. He is Co-opted Member of Internal Audit Standard Board of ICAI for the year 2020-21 and remained co-opted member of Committee of Members in Industry & Business of ICAI for the year 2019-20. Also remained Co-opted member of Board of Studies of ICAI for the years 2016-2019. He remained as Chairman of Jalandhar Branch of NIRC of ICAI for three years in 2006, 2009 and 2013-14. He is Founder member and General Secretary of Chartered Accountants Association. He is also General Secretary of Income Tax & GST Bar Jalandhar.
06597596	Ms. Aditi Kapur	Woman Independent Director	Law Graduate, Company Secretary	Ms. Aditi Kapur Arora, is a qualified Company Secretary and a Law Graduate. She is also a Six Sigma Black Belt certified. She is also a Senior Partner in Kapur Law Firm, a leading civil law firm of Kapurthala established since 1925 and a Senior Partner in M/s Arora and Associates, a leading multi-disciplinary law firm based at Jalandhar. Her expertise includes corporate laws, management consultancy and BPR solutions. She has been handling independently legal matters of the reputed organizations in the region including Consumer Litigation, Arbitration Matters, and Revenue Matters etc.

09179500	Mr. Meghal Gupta	Non-Executive Director	B.Tech	Mr. Meghal Gupta is a Non- Executive Professional Director on the Board of the Company since May 20, 2021. Mr. Meghal Gupta is an Engineer by profession. He has a broad experience in NBFC and finance sector. He is also the promoter of Hamco Ispat Private Limited, a leading manufacturer and exporter of wide range of industrial tools. He has worked as an Engineer with Happy Forgings Private Limited, GNA Axles Limited and NK Industries Limited. He is a state player of roller skating and judo. He has executed various projects at College Level, namely solar vehicle, hybrid vehicle and power generation through footsteps. He is playing a strategic role for the growth of the business of the Company in the field of Credits and Collection and has also initiated various measures to increase the business of the company viz. Increasing sales by introducing new products like Loan against Property, increasing centralized controls by setting up Tele Call center to monitor pre-sanction and post sanction disbursement, calling for follow up pre/ post collections, NPA Management. With his guidance, the collection efficiency during this stressed period is more than 100% on month on month basis. He is actively involved in the affairs of the company and is paid professional fees for the services rendered by him.
01519390	Mr. Chandan Chugh	Non-Executive Director	Graduate	Mr. Chandan Chugh is a graduate in Hotel Management. He is having more than 13 years of experience in the NBFC industry and having wide knowledge of all aspects of NBFC business. He also contributes in the Management of the Company and also involved in the Business Administration and Policy Decisions of the Company. Further, he is actively involved in the Social works and Educational activities and also contributes the Management experience in the Business of the Company.

The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, expertise, experience and knowledge for its continued effectiveness and serving the Company’s governance and strategic needs. The Directors possess necessary experience, skills and ability relevant to the Company’s business and affairs.

21.2 Appointment/ Re-appointment/ Cessation of Directors

During the year 2021-22, following changes took place in the composition of Board of Directors of your Company;

i. Appointment of Directors

During the financial year 2021-22, the following Directors were appointed:

a) Mr. Vijay Kumar Sareen was appointed as the Whole time Director of the Company in the board of directors meeting held on May 6, 2021 and, thereafter, shareholders approved his appointment as the Whole time Director of the Company in its Annual General Meeting held on September 23, 2021 for the term of 5 years;

b) Mr. Meghal Gupta was appointed as Additional Director of the Company with effect from May 20, 2021 and, thereafter, regularized as Director of the Company in Annual General Meeting held on September 23, 2021;

c) Ms. Aditi Kapur was appointed as Additional Director of the Company in the board of directors meeting held on June 26, 2021 and, thereafter, regularized as Independent Director of the Company in its Annual General Meeting held on September 23, 2021 for the term of 5 years.

ii. Re-appointment of Director

During the FY 2021-22, Mr. Vijay Kumar Sareen (DIN: 07978240) was re-appointed as Director in the Annual General Meeting held on September 23, 2021, who was liable to retire by rotation.

iii. Retire by Rotation

Pursuant to provisions of the Act and Articles of Association of the Company, Mr. Vjjay Kumar Bhandari (DIN: 00052716) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment as the Director of the Company.

iv. Cessation of Directors

During the year ended on March 31, 2022, following directors ceased to hold office of Director in the Company:

a) On May 19, 2021, Mrs. Neelam Kohli, Director (DIN: 02628811) ceased to hold the office as the Director of the Company.

b) On September 29, 2021, Mr. Subhash Chander Sikka, Director (DIN: 01871492) ceased to hold the office as the Director of the Company.

The Board places on record its sincere appreciation for guidance, services, valuable contribution and mentorship provided by Mr. Subhash Chander Sikka and Ms. Neelam Kohli in the growth of the Company during their tenure as a director on the Board of the Company.

21.3 BOARD MEETINGS AND PROCEDURES

The Notes on Agenda setting out the business to be transacted at the Board Meeting, were sent to each Director pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 before the date of the Board Meeting. In view of COVID-19 pandemic, some of the Board Meetings of the Company were held during the financial year through Video Conferencing ("VC") or other audio-visual means ("OAVM").

During the financial year 2021-22, 11 (Eleven) Meetings of the Board of Directors including 2 (Two) Adjourned meetings were held. on May 6, 2021, June 26, 2021, June 30, 2021, August 13, 2021, August 20, 2021, September 28, 2021, November 3, 2021, November 24, 2021, February 4, 2022, March 5, 2022 and March 7, 2022. The intervening gap between these meetings were within the period prescribed under the Act. The necessary quorum was present for all the meetings.

MINUTES OF BOARD/COMMITTEE MEETINGS

Minutes of proceedings of each Board and Committee meetings were recorded and draft minutes were circulated to Board/Committee members for their comments and/or confirmation within 15 days from the date of the meeting. The inputs, if any, of the Board & Committee Members are duly incorporated in the minutes after which these are entered in the minute's book within 30 days from the date of meeting.

Attendance of Directors in Board Meetings

The names and categories of Directors, their attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting (AGM), and names of listed entities where person is a director are as follows:

Name of Directors	Category	No of Board Meetings held	No of Board Meetings Attended	Whether Attended Last AGM	No. of Directorships held (excluding Private Companies, Foreign Companies and Section 25 Companies)	Membership in Committees of other public companies	Chairmanship in Committees of other public companies	Directorship in other listed Entity including category of directorship
Mr. Vjay Kumar Sareen	Whole time Director	11	9	Yes	NIL	NIL	NIL	NIL
Mr. Vijay Kumar Bhandari	Nominee Director	11	10	Yes	6	6*	3	Non-Executive and Independent Director:- HSIL Limited, Jayant Agro Organics Ltd, Supershakti Metailks Ltd, Midland Microfin Ltd (debt listed entity) – (Chairman & Non-Executive Director)
Mr. Ashwani Kumar Jindal	Independent Director	11	11	Yes	NIL	NIL	NIL	NIL
Ms. Aditi Kapur	Independent Director	11	7	Yes	NIL	NIL	NIL	NIL
Mr. Meghal Gupta	Non-Executive Director	11	8	Yes	NIL	NIL	NIL	NIL
Mr. Chandan Chugh	Director	11	4	Yes	NIL	NIL	NIL	NIL

Mrs. Neelam Kohli	Woman Independent Director	1	-	N.A.	NIL	NIL	NIL	NIL
Mr. Subhash Chander Sikka##	Chairman and Independent Director	6	-	No	NIL	NIL	NIL	NIL

 # Mrs. Neelam Kohli ceased to the Director of the Company w.e.f. May 19, 2021.
Mr. Subhash Chander Sikka ceased to be the Director of the Company w.e.f. September 29, 2021.
**Membership Details includes Chairmanship details.*

Notes:

1. *None of the Directors holds office as a director, including alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included.*

2. *The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.*

3. *Only Audit Committee and Stakeholders Relationship Committee are considered for the purpose of reckoning committee positions.*

4. *As per declarations received, none of the directors serves as an independent director in more than seven (7) listed companies. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.*

Key Managerial Personnel

Pursuant to the provisions of section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the KMPs of the Company as on March 31, 2022:

DIN/PAN	Name	Designation
ADGPB1123N	Mr. Kuldip Bhandari	Chief Financial Officer (CFO)
ADXPN6046R	Ms. Shikha Kapoor	Company Secretary and Compliance Officer

During the financial year 2021-2022, Ms. Manpreet Kaur resigned from the post of the Company Secretary w.e.f. December 1, 2021 and Ms. Shikha Kapoor was appointed as Company Secretary w.e.f. December 1, 2021.

21.4 MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on March 23, 2022 without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board as a whole and Chairman of the Company. The performance of Executive Directors and Non-Executive Directors was also reviewed. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Confirmation /Statement/Declaration by Independent Directors

Pursuant to the provisions of Section 149(6) of the Companies Act, 2013 ("the Act"), the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as independent directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

Pursuant to Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have registered themselves in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

22. FAMILIARIZATION PROGRAMME

The Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. In addition, the Company also updates on continuous basis to the Independent Directors about the ongoing events and developments relating to the Company, significant changes in regulatory environment through the Board/Committee meetings and separate familiarization programme(s). During the Financial Year 2021-2022, the Company had conducted 1 programme / meeting and the time spent by Independent Directors was in the range of 1-2 hours. Pursuant to Regulation 46 of Listing Regulations, the details of Familiarization Programme is uploaded on the Company's website at the web link: https://phfleasing.com/familiarisation.html.

23. POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code also provides for preclearance of transactions by designated persons.

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 Whole Time director (WTD) of the Company had been receiving remuneration during the FY 2021-22 since his appointment as WTD. Since the Company has no holding or subsidiary company, thus, no particulars are required to be given pursuant to the provisions of section 197 (14) of the Act.

24. STATUTORY COMMITTEES

The Company has Statutory Committees, which have been constituted and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company currently has below-stated statutory committees which are as follows:

i) Audit Committee
ii) Nomination and Remuneration Committee
iii) Stakeholders' Relationship Committee

iv) Risk Management Committee

v) Asset Liability Management Committee

❖ AUDIT COMMITTEE

Pursuant to the provisions of section 177 of the Companies Act, 2013, your Company has a duly constituted Audit Committee and its composition is in conformity with the requirements of the Act, with minimum of three directors with independent directors forming a majority.

The Audit Committee met five times *viz* June 25, 2021, June 30, 2021, August 12, 2021, November 2, 2021 and February 3, 2022 during the year under review and the number of meetings attended by each member during the year ended March 31, 2022 is as follows:

Name of Member	**Designation**	**No of Meetings held**	**No of Meetings attended**
Mr. Ashwani Kumar Jindal	Chairman (Independent Director)	5	5
Ms. Aditi Kapur*	Member (Independent Director)	5	4
Mr. Vijay Kumar Sareen	Member (Whole time Director)	5	5
#Mr. Subhash Chander Sikka	Member (Independent Director)	5	-

***** *Ms. Aditi Kapur, Independent Director, was appointed as an Additional Director (in independent capacity) of the Company in the board of directors meeting held on June 26, 2021 and as a member of the Audit Committee w.e.f. June 26, 2021.*

 # Mr. Subhash Chander Sikka ceased to the Director of the Company w.e.f. September 29, 2021 and consequently, ceased to the member of the Audit Committee.

Terms of Reference of Audit Committee:

The terms of reference of the Audit Committee as approved by the Board of Directors are wide and includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors, including cost auditors (if any), for any other services rendered by them;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for its approval,
- Review with the management, the quarterly financial statements before submission to the Board for approval;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions with related parties of the Company;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review the functioning of the Whistle Blower mechanism / oversee the vigil mechanism;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control;
- systems of a material nature and reporting the matter to the Board;
- Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- monitoring the end use of funds raised through public offers and related matters;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

❖ NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of section 178(1) of the Companies Act, 2013, your Company has a duly constituted Nomination and Remuneration Committee with its composition in conformity with the requirements of the Act.

The Nomination and Remuneration Committee met thrice viz. May 5, 2021, June 25, 2021 and November 24, 2021 during the year under review and the number of meetings attended by each member during the year ended March 31, 2022 is as follows:

Name of Member	**Designation**	**No of Meetings held**	**No of Meetings attended**
Mr. Ashwani Kumar Jindal	Chairman (Independent Director)	3	3
Ms. Aditi Kapur*	Member (Independent Director)	3	1
Mr. Vijay Kumar Bhandari	Member (Nominee Director)	3	2
Mr. Vijay Kumar Sareen	Member (Whole time Director)	3	1
#Mr. Subhash Chander Sikka	Member (Independent Director)	3	1

***** *Ms. Aditi Kapur, Independent Director, was appointed as an Additional Director (in independent capacity) of the Company in the board of directors meeting held on June 26, 2021 and as a member of the Nomination and Remuneration Committee w.e.f. November 03, 2021.*

 # Mr. Subhash Chander Sikka ceased to the Director of the Company w.e.f. September 29, 2021 and consequently, ceased to the member of the Nomination and Remuneration Committee.

Terms of Reference of Nomination and Remuneration Committee (NRC):

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

- 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.

- To identify persons who are qualified to become Directors and recommend the reappointment of Directors, if they are qualified and fit to be reappointed. Also, to identify and recommend 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.

- To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.

- To carry out evaluation of every Director’s performance.

- 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.

- To devise a policy on Board diversity.

- Formulation of succession policy for Key Managerial Personnel and Senior Management Personnel.

❖ **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Pursuant to the provisions of the section 178 (5) of the Companies Act, 2013, your Company has duly constituted Stakeholders Relationship Committee to specifically look into the debenture holders', shareholders' and investors' complaints on matters relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends, payment of interest/principal amount to debenture holders, other lenders etc.

The Committee/Stakeholders Relationship Committee met 1 (One) time viz. September 30, 2021 during the year under review and the details of attendance in the respective meeting are as follows:

The Stakeholders Relationship Committee comprises as follows:

Name of Member	**Designation**	**No of Meetings held**	**No of Meetings attended**
Mr. Chandan Chugh	Chairman (Non-Executive Director)	1	1
Mr. Meghal Gupta	Member (Non-Executive Director)	1	1
Mr. Vijay Kumar Sareen	Member (Whole time Director)	1	1
Ms. Aditi Kapur*	Member (Independent Director)	1	1

** Ms. Aditi Kapur, Independent Director, was appointed as an Additional Director (in independent capacity) of the Company in the board of directors meeting held on June 26, 2021 and was appointed as member of the Stakeholders Relationship Committee w.e.f. June 26, 2021.*

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee as approved by the Board of Directors includes the following:

- Oversee and review all matters connected with transfer of Company's securities;
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Consider, resolve and monitor various aspects of interest of shareholders, debenture holders and other security holders including the redressal of investors' / shareholders' / security holders' grievances related to transfer / transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings and so on;
- Review measures taken for effective exercise of voting rights by shareholders;
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company;
- To look into matters that can facilitate better security-holder's services and relations;

❖ **RISK MANAGEMENT COMMITTEE**

Pursuant to the guidelines issued by the Reserve Bank of India, your Company has a duly constituted Risk Management Committee to manage the integrated risk of the Company. The Company has established effective risk assessment and minimization procedures, which are reviewed by the Risk Management Committee periodically.

During the year under review, the Committee met 1 (One) time on March 5, 2022. The necessary quorum was present for all the meetings.

The Risk Management Committee Composition is as follows:

Name of Member	Designation	No of Meetings held	No of Meetings attended
Mr. Ashwani Kumar Jindal	Chairman (Independent Director)	1	1
Mr. Meghal Gupta	Member (Non-Executive Director)	1	1
Mr. Vijay Kumar Sareen	Member (Whole time Director)	1	1
Mr. Vijay Kumar Bhandari	Member (Nominee Director)	1	1

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

Terms of Reference

The terms of reference of the Risk Management Committee as approved by the Board of Directors includes the following:

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

❖ **ASSET LIABILITY MANAGEMENT COMMITTEE**

Pursuant to the guidelines issued by the Reserve Bank of India (RBI) on Asset Liability Management (ALM) System for NBFCs, your Company has a duly constituted an Asset Liability Management Committee (ALCO) to check the asset liability mismatches, interest risk exposure and to help the Company to improve the overall system for effective risk management in various portfolios held by the Company.

The Asset Liability Management Committee met four times in the year under review viz. May 07, 2021, August 09, 2021, November 04, 2021 and February 07, 2022 during the year under review and the number of meetings attended by each member during the year ended March 31, 2022 is as follows:

Name of Member	Designation	No of Meetings held	No of Meetings attended
Mr. Vijay Kumar Sareen	Chairman (Whole time Director)	4	4
Mr. Meghal Gupta	Member (Non-Executive Director)	4	4
Mr. Kuldip Bhandari	Member (Chief Financial Officer)	4	4
Ms. Priya Goyal	Member, Manager (Finance)	4	4

Terms of Reference

The terms of reference of the Asset Liability Management Committee as approved by the Board of Directors includes the following:

- Review of the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company;
- Safeguarding the recovery positions at any point of time;
- Review of risk monitoring system, ensure payment of liability on its due dates, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analysing different scenarios and

preparation of contingency plans; and

- Performing such other functions in relation to the lending activities such as to check the credit worthiness of the client, to approve loan and disbursement of loan and to renew loans from time to time."

25. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("the Act"), the Board of Directors has approved and adopted the Nomination & Remuneration Policy, inter alia, for the appointment and fixation of remuneration of the directors, key managerial personnel and other employees of your Company as applicable. The Nomination and Remuneration Committee has also developed the criteria for determining the qualifications, positive attributes and independence of Directors.

The Nomination and Remuneration Policy of the Company as required under Section 178(3) of the Act is available on our website i..e www.phfleasing.com.

The salient features of the Nomination and Remuneration Policy of the Company are mentioned hereunder: -

- To support the organization's strategy by helping to build a competitive, high performance and innovative company with an entrepreneurial culture that attracts, retains, motivates and rewards high-performing employees;
- To promote the achievement of strategic objectives within the company's risk appetite;
- To promote / support positive outcomes across the economic and social context in which the company operates; and
- To promote an ethical culture and responsible corporate citizenship.

26. CRITERIA FOR PERFORMANCE EVALUATION OF BOARD, IT'S COMMITTEES AND OF INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and Rules made thereunder as amended from time to time, the Board has carried out an annual performance evaluation of its own performance, evaluation of the working of its Committees as well as performance of all the Directors individually (including Independent Directors). Feedback was sought from Directors on various parameters, inter-alia, degree of fulfilment of key responsibilities towards stakeholders, quality of relationship between Board Members and the Management, adequacy of the composition of the Board and its Committees, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, etc.

Performance evaluation framework of the Company is as follows:

a. Nomination and Remuneration Committee would approve framework of performance evaluation of the Company and review the performance of the individual directors and the Board as a whole;

b. Board would evaluate the performance of the Independent Directors, Board as a whole and Committees of the Board;

c. Independent Directors would evaluate the performance of the Chairman of the Company after taking views of other directors, Board as a whole and Non-Independent Directors;

d. Self-evaluation of individual Directors;

27. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns. The Company as part of the 'vigil mechanism' has in place a Board approved 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been placed on the website of the Company and the same can be accessed at https://phfleasing.com/vigilmechanism.html.

The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimisation of employees and also provides direct access to the Chairman of the Audit Committee in exceptional circumstances. The Vigil Mechanism provides the procedures for:

i) Receiving, retaining and treating complaints received by employees, directors and other stakeholders;

ii) Confidential, anonymous submission of complaints by Employees/Directors/other Stakeholders regarding questionable matters and conduct which results in a violation of law by Company or in a substantial mismanagement of Company resources and any other concern;

Name and Address of the Whistle and Ethics Officer:
Mr. Kuldeep Bhandari, CFO
Email: phf_leasinglimited@yahoo.co.in

The confidentiality of those reporting violations is maintained and are not subjected to any discriminatory practice.

During the year under review, no complaints were received by the Company. Further, none of the personnel of your Company were denied access to the Audit Committee.

28. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Risk is an integral part of every Company's business, and sound risk management is critical to the success of the organization. Your Company is exposed to risks that are particular to its environment within which it operates. The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout your Company. The risk management process is continuously improved and adapted to the changing global risk scenario. The Company has a comprehensive Risk Management Policy. Major risks identified in the processes are systematically addressed through mitigating actions on a continuing basis. These are discussed among the board of directors and corrective actions are taken as advised. The Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

29. HUMAN RESOURCE DEVELOPMENT

29.1 Human Resources

As a financial services provider, people are the greatest assets and the core strength to your Company's business. Your Company has consistently been agile and has improved its human resource practices to match up to the dynamic workplace. The pandemic posed a challenge for people working in the field. With majority of your Company's people in frontline roles (directly interacting with customers), the focus on health and safety is always critical. And the pandemic further accentuated the criticality. Prioritising the safety and health of employees and their families was imperative for your Company. And so, your Company undertook multiple measures, ensuring access to preventive and curative healthcare and safety features for its people and their families. Further, to ensure organizational readiness, the HR team worked in close partnership with the business towards hiring and growing for skills in the organization. Our continued focus on hiring / retention and upskilling continued relentlessly through the year.

Our Senior Leadership Team, from time to time, shares the strategy and vision for the company through virtual town-halls that ensures that our employees are always cognizant of what is happening in the Company, thereby encouraging an interactive and engagement driven work culture.

Our HR team focusses on manpower planning for time bound horizontal and vertical growth in different departments, filling those positions with capable, qualified & competent people in right places at right time, ensuring training, organising, development of our human capital to ensure achieving operational efficiency through them.

In addition to the above, your Company continued its focus on developing people talent internally to ensure a strongly engaged, motivated and capable workforce, to help take the growth forward.

The Company had 112 permanent employees on its rolls as on March 31, 2022 and targets for more than 300 employees in the financial year 2022-23.

29.2 Particulars of Employees and Related Disclosures

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement of disclosure of remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 , is appended as **Annexure-A** and forms part of this report.

29.3 Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has complied with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Prevention of Sexual Harassment (POSH) Policy is in place and as per the policy, Internal Complaints Committee (ICC) is also in place to redress complaints regarding sexual harassment. The Committee meets at regular intervals in order to ensure and enhance security of female employees. The Company aims at providing a workplace that enables employees to work without gender bias and sexual harassment.

During the financial year 2021-22, no complaint pertaining to Sexual Harassment was received by the Committee.

30. DISCLOSURE IN RESPECT OF VOTING RIGHTS NOT EXERCISED DIRECTLY BY THE EMPLOYEES

Pursuant to Section 67(3) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, the Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees, thus, the disclosure is not required to be given in the Report.

31. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No such application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

32. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not entered into one-time settlement with any bank or financial institution, thus, the disclosure is not required to be given by the Company.

33. STATUTORY DISCLOSURES

33.1 Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company have occurred after March 31, 2022 till the date of this report.

33.2 Significant and material orders passed by regulators or courts or tribunals impacting the going concern status and operations of the Company

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

33.3 Disclosure pertaining to Consolidated Financial Accounts under section 129(3) of the Companies Act, 2013

The Company has no subsidiary or associate companies, thus, the provisions of Section 129(3) of the Companies Act, 2013 are not applicable to the Company.

33.4 Change in the nature of business

There was no change in the nature of business of the Company in the financial year ended on March 31, 2022. The Company is determined to work efficiently for its growth.

33.5 Issue of equity shares with differential rights, sweat equity, ESOP etc.

The Company has not issued any equity shares with differential rights, Sweat Equity, ESOP etc. during the financial year ended on March 31,2022.

33.6 Unclaimed Dividend and shares transferred to Investor Education and Protection Fund Authority ("IEPF")

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

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

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

33.7 Other Disclosures

a) Details of compliance with mandatory requirements and adoption of non mandatory requirements

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

b) Web link of policy on dealing with related party transactions

The Policy on dealing with related party transactions can be accessed at https://phfleasing.com/relatedparty.html

34. 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 (Manager - Deposits)
PHF LEASING LIMITED
Regd. Off: 923, G.T. Road, Jalandhar-144001, Punjab, India
Ph: 0181-4639903-06; Email: vijay@phfleasing.in

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

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

36. DISCLOSURES PURSUANT TO RBI MASTER DIRECTIONS

Your Company has complied with all the applicable provisions and has made adequate disclosures pursuant to Master Directions for Non -Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.

37. CUSTOMER RELATIONS

37.1 Customer Service

We strive to create a culture of 'Customer Obsession' — by always listening to customers and driving continuous transformation to provide a frictionless experience across the lifecycle, from pre-disbursal to closure of a loan. We always aim to reduce the time to disburse loans with minimal documentation. And we have enhanced and introduced varied communication and service channels to keep our customers informed and instantly address their queries and requests.

37.2 Fair Practices Code

Your Company adhere to a Fair Practices Code (FPC), issued by the Reserve Bank of India, which is applicable for all Non -Banking Financial Companies. These guidelines, inter alia, covers disclosures on the terms and conditions of a loan and mentions adoption of a non-coercive recovery method. As part of the FPC, we also have a Grievances Redressal Mechanism and a Whistle Blower Policy/Vigil Mechanism. While Grievances Redressal Mechanism is aimed at ensuring excellent customer service, Whistle Blower Policy/Vigil Mechanism gives liberty to our employees to raise concerns regarding any violations of the values and Code of Conduct. With respect to this, there were no code of conduct violations reported during FY 2021-22.

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 in English and Vernacular Language at the website of the Company which can be accessed at https://phfleasing.com/fpcenglish.html and https://phfleasing.com/fpcpunjabi.html.

37.3 Customer Grievance Redressal

The Company has adopted a well-structured customer grievance redressal mechanism and provides customers a reliable and easily accessible interface for timely and fair resolution of enquires and 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 the head office of the Company located in Jalandhar. GRO monitors customer grievances at all the levels and is responsible for ensuring timely resolution of all complaints through Customer Care Representatives and Help Desks. A report on status of customer grievances is periodically reviewed at various levels of Management and the Board for decision making and minimizing complaints.

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

37.4 Resolution of Grievances

The Grievance Redressal Officer (GRO) appointed by the Company ensures closure of all the complaints to the customer's satisfaction. It is ensured that the complaint is escalated to the appropriate levels on a timely basis. Whilst the ultimate endeavour is to ensure to reach a situation where our customers don't have to complain to senior management to get an effective redressal, a robust mechanism is being put in place to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

37.5 Staff and Customer Education on Code of Conduct and Grievance Redressal Mechanism

As the maximum customer base of the Company is in rural areas, the Company has in place the mechanism that directly links customers to the Company, in consideration to the educational, social and economic background of the customers. To the fact, such customers are usually prone to get tricked being misinformed and mis-communicated.

Our Company has a Board approved Customer Grievance Redressal Mechanism for expeditious redressal of customer grievances to resolve the queries of the customers efficiently and effectively.

Fair Practice Code and Policy on Code of Conduct has been displayed in vernacular language at all the branch premises.

38. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business in India, risk management systems and other material developments during the year under review. The same has been enclosed in the Annual Report.

39. CODE OF CONDUCT

The Company periodically reviews the 'Code of Conduct' (COC) of the Company as per the needs for the best interest of the Company. The assessment and compliance is being conducted by proficient Principal Officer of the Company as an independent agent of the Company.

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

40. 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 translucent and rational recovery policy has been framed to ensure that there is no let-up in the recovery and upgradation of the over dues. As on March 31, 2022, your Company has a provision of INR 48.28 Lacs as per the norms prescribed by RBI.

41. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Act:

a. that in the preparation of annual accounts for the financial year ended on March 31,2022, the applicable accounting standards have been followed and there are no material departures;

b. that appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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 statement of profit and loss of the Company for the financial year ended on March 31, 2022;

c. that the proper and sufficient care has been taken 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 and other irregularities;

d. that the annual accounts of the financial year ended on March 31, 2022 have been prepared on a going concern basis;

e. that the Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. that 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.

42. ACKNOWLEDGEMENT

The Directors express their sincere gratitude to RBI, Securities and Exchange Board of India, Metropolitan Stock Exchange of India (MSEI), Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions, and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels, for exhibiting outstanding performance during such challenging times.

For & On Behalf of the Board of Directors
PHF LEASING LIMITED

	Sd/-	**Sd/-**
	Meghal Gupta	**Vijay Kumar Sareen**
Place: Jalandhar	**(Director)**	**(Whole Time Director)**
Date: 26th May, 2022	**DIN: 09179500**	**DIN: 07978240**

Annexure -A

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-2022, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021- 2022 are as under:

S. No.	Name Director/ KMP	Designation	Remuneration Director/KMP for the Financial Year 2021- 22 (in Rs.)	Remuneration of Director/KMP for the Financial Year 2020- 21 (in Rs.)	% increase in Remuneration in the Financial Year 2021- 22	Ratio of Remuneration of each Director to median Remuneration of the employees	Directors Siting Fees for the Financial Year 2021- 22 (in Rs.)
1	*Vijay Kumar Sareen	Whole time Director	5,43,000	-	N.A	3.3x	-
2	**Meghal Gupta	Non-Executive Director	6,78,000	-	-	-	-
3	Ashwani Kumar Jindal	Independent Director	-	-	-	-	33,000
4	Vijay Kumar Bhandari	Nominee Director	-	-	-	-	25,000
5	Aditi Kapur	Independent Director	-	-	-	-	24,000
6	***Subhash Chander Sikka	Independent Director	-	-	-	-	-
7	****Neelam Kohli	Independent Director	-	-	-	-	-
8	Kuldip Bhandari	Chief Financial Officer	5,40,000	3,90,000	38.46%	-	-
9	#Shikha Kapoor	Company Secretary	88,000	-	N.A.	-	-
10	#Manpreet Kaur	Company Secretary	1,83,000	1,13,000	N.A	-	-
11	#Davinder Kaur	Company Secretary	-	55,000	-	-	-

Notes:

** Mr. Vijay Kumar Sareen was appointed as Whole-time Director of the Company w.e.f. May 6, 2021*

***Mr. Meghal Gupta is a Non-Executive Director and is the recipient of professional fees.*

**** Mr. Subhash Chander Sikka ceased to be the Director of the Company w.e.f. September 29, 2021.*

*****Ms. Neelam Kohli ceased to be the Director of the Company w.e.f. May 19, 2021.*

 # Ms. Manpreet Kaur and Ms, Davinder Kaur resigned from the post of the Company Secretary w.e.f. December 1, 2021 and December 16, 2020 respectively and Ms. Shikha Kapoor was appointed as Company Secretary w.e.f. December 1, 2021.

Note: - The information disclosed above relates to the complete financial year 2021-22.

I. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year, there was an increase of 5.92% in the median remuneration of employees.

II. The number of permanent employees on the rolls of Company:

There were 112 permanent employees on the rolls of the Company as on 31st March, 2022.

III. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	FY. 2021-22	F.Y. 2020-21
Increase in Salary of employees other than managerial personnel	93.49%	44.44%
Increase in Managerial Remuneration	(18.34)%	9.64%

IV. Affirmation that the remuneration is as per the remuneration policy of the company

It is hereby affirmed that remuneration to Key Managerial Personnel and Employees of the Company are in line with the Remuneration Policy of the Company.

SECRETARIAL AUDIT REPORT

To,
The Members,
PHF Leasing Limited
Jalandhar

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

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my 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 31st March, 2022, 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 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

   (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(vi) The following regulations and guidelines of SEBI are not applicable to the Company

   (a) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

We have also examined the compliance of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. *An intimation in one instance under Regulation 29(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was, however, delayed by one day due to technical interpretation.*

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has, complied with the following laws applicable specifically to the company *except filing of some RBI returns with RBI on time for which the extension was sought:*

(a) Reserve Bank of India Act, 1934 and directions, regulations and circulars issued therein relating to Non-Banking Finance Companies – Investment and Credit Company.

(b) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

(c) Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Deposit taking Non-Banking Financial Companies with classification as a 'Loan Company' (subsequently reclassification as 'NBFC-Investment and Credit Company (NBFC-ICC)' vide RBI Circular dated 22nd February, 2019)

We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director 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.

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

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

For Harsh Goyal & Associates
Company Secretaries

Sd/-
(Harsh Kumar Goyal)
Prop.
FCS 3314
C P No.:2802
UDIN: F003314D000441831

Place: Ludhiana
Date: 26.05.2022

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

‘ANNEXURE A’

To
The Members,
PHF leasing Limited
Jalandhar

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 Harsh Goyal & Associates
Company Secretaries

Sd/-
(Harsh Kumar Goyal)
Prop.
FCS 3314
C P No.2802

Place: Ludhiana

Date: 26.05.2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PHF LEASING LIMITED

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **PHF LEASING LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit / (loss), total comprehensive income / (loss), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

EMPHAIS OF MATTERS

We draw your attention to :-

a) Note 51 to the financial statements, which describes the reclassifications done in previous year figures wherever considered necessary to make them comparable with current year figures.
b) Note 52 to the financial statements, which states that the management, pursuant to extension for implementation provided by RBI vide Circular No. DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022, has not yet implemented the provisions of Paragraph 10 of RBI Circular No. DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021

Our opinion is not modified with respect to this matter.

OTHER MATTERS

The financial statements of the Company for the year ended 31st March, 2021, included in these financial statements, have been audited by the predecessor auditor, M/s MSKA & Associates, who expressed an unmodified opinion on those statements on June 30, 2021.

Our opinion is not modified with respect to this matter.

KEY AUDIT MATTERS

S.No.	Key Audit Matter	Auditor's Response
1	**Impairment of loans and advances to customers** **Net charge – INR (31.81 Lakhs) for the year ended 31st March, 2022** **Provision – INR 47.40 Lakhs as at 31st March, 2022** Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECL are: • **Data inputs –** The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • **Model estimations –** Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • **Economic scenarios –** Ind AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them, including changes to methodology. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. Management has made disclosures regarding ECL approach in the credit risk section of the Financial Statements *(Note 37(b))*. **Disclosures** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with	**Our key audit procedures included:** **Design / controls** We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the ECL process. Key aspects of our controls testing involved the following: • Evaluating the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our business understanding. • Understanding management's updated processes, systems and controls implemented in relation to impairment allowance process. • Testing the controls over validation, implementation, and model monitoring in line with the RBI guidance. • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing the design and operating effectiveness of the key controls over modification of assets including identification/staging of the modified asset. • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs or data used in assessment and identification of Significant Increase in Credit Risk ('SICR') and staging of the assets. • Testing management's controls over authorization and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology in relation to loan impairment management systems, including system access and system change management, program development and computer operations.

	regards to non-performing assets and provisions will also be an area of focus.	**Substantive Tests** Key aspects of our testing included: • Assessing appropriate application of accounting principles (including criteria for SICR), validating completeness and accuracy of the data and reasonableness of assumptions used in the ECL model / calculations. • Performing credit reviews on sample basis over loans given to corporate customers. • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Performing test of details over calculation of ECL, in relation to the completeness, accuracy and relevance of data. • Test of details of post model adjustments, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The company's management and board of directors are responsible for the other information. The other information comprises the information included in Management Discussion and Analysis and Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit report of the financial statements, our responsibility is to read the other information identified above, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on our work we have performed, we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY OF FOR FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL STATEMENTS

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section 3 of Section 143 of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable, read with relevant rules issued thereunder.
   e) On the basis of the written representation received from the Directors as on March 31, 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a Directors in terms of section 164(2) of the Act
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
   g) With respect to the other matters to be included in the Auditors' 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. Refer Note 39 to the Financial Statements.
      ii) The Company did not have any long- term contracts including derivative contracts, other than those which have already been provided for which there were no material foreseeable losses.
      iii) The Company is not required to transfer any amounts to the Investor Education and Protection Fund by the Company.
      iv) a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 54 to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 54 to the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) Since, the Company has neither paid or declared any dividend during the year nor proposed any dividend for the year, hence, reporting requirement of clause (f) of rule 11 of the Companies (Audit and Auditors) Rules, 2014 are not applicable on the Company.

h) As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions and limits laid down under section 197 read with schedule V to the act.

UDIN – 22529619AJQNEO4045
For GSA & Associates LLP
Chartered Accountants
Firm's Reg. No: 000257N/N500339

Sd/-
Tanuj Chugh
(Partner)
M. No.: - 529619

Place: New Delhi
Date: 26th May, 2022

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section of our report of even date of **PHF LEASING LIMITED**)

AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020 ("THE ORDER") ISSUED BY THE CENTRAL GOVERNMENT IN TERMS OF SECTION 143(11) OF THE ACT, WE GIVE IN THE ANNEXURE AS FOLLOWS:-

i) In respect of its property, plant and equipment and intangible assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;

The Company has maintained proper records showing full particulars of intangible assets.

b) The property, plant and equipment and right-of-use assets were physically verified, other than assets lying with third parties, during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all such items at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us, the Company does not own any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Hence, reporting requirement of Clause 3(i)(c) of the Order is not applicable.

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) In respect of clause 3(ii), we state that:-

a) The Company is a financing company, primarily in the business of providing loans to its customers. Accordingly, it does not hold any physical inventories. Thus, the provision of Clause 3(ii)(a) of the Order is not applicable to the Company.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under Clause 3(ii)(b) of the Order is not applicable.

iii) The company has granted secured and unsecured loans to other parties during the year, in respect of which:-

a) Since the principal business of the Company is to give loans, hence, reporting requirements of Clause 3(iii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms of all loans provided are not prejudicial to the company's interest.

c) According to the information and explanations given to us and based on the audit procedures performed by us, the schedule of repayment of principal and payment of interest has been stipulated by the Company for all the loans. Further, except for the instances where there are defaults in repayment of principal and/or interest in respect of which the Company has recognized necessary provisions in accordance with the principles of Indian Accounting Standards "Ind AS" and the guidelines issued by the Reserve Bank of India "RBI" for Income Recognition and Asset Classification norms, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest. As of 31st March, 2022, overdue amount is INR 198.53 Lakhs (including overdue interest of INR 39.37 Lakhs) which pertains to 3,770 borrowers.

d) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has taken reasonable steps for recovery of principal and interest in all cases wherein amount is overdue. As of 31st March, 2022, overdue amount for more than 90 days is INR 126.82 Lakhs (including interest overdue for more than 90 days of INR 24.65 Lakhs) which pertains to 801 borrowers.

e) Since the principal business of the Company is to give loans, hence, reporting requirements of Clause 3(iii)(e) of the Order is not applicable.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under Clause 3(iii)(f) of the Order is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transaction in respect of loan, guarantees and securities covered under section 185 of the Act. The Company has not made any investment as referred in section 186 (1) of the Act, accordingly other requirements relating to section 186 of the Act do not apply to the Company.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. Hence, reporting under Clause 3(v) of the Order is not applicable.

vi) Pursuant to the rules made by the Central Government of India, Company is not required to maintain cost records as specified under Section 148(1) for the business activities carries out by the Company. Hence, reporting under Clause 3(vi) of the Order is not applicable.

vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, and other material statutory dues, as applicable to the Company, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there were no statutory dues referred in sub-clause (a) above which have not been deposited on account of any dispute.

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

ix) With respect to the loans and borrowing obtained by the Company, we report that:-

a) In our opinion and according to the information and explanation given to us, the company hasn't defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender except in one case given below:

Nature of Borrowings	Name of Lender	Amount not paid on due date	Whether Principal or Interest	No. of days delay or unpaid
Deposits from Director	Shiv Dayal Chugh (including HUF)	Rs. 81.55 Lakhs	Principal & Interest	391 Days

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e) The Company does not have any subsidiaries, associates or joint ventures. Hence, reporting under Clause 3(ix)(e) and (f) of the Order are not applicable.

x) With respect to Clause 3(x), we state that:-

a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under Clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us, the Company has not made any private placement of shares or convertible debentures (fully or partly or optionally) whereas the Company has made preferential allotment of shares during the year & the requirements of Section 62 of the Companies Act, 2013 has been duly complied with.

In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment of shares for the purposes for which they were raised, except for the below mentioned suns which are received against allotment of shares on 31st March, 2022:

Nature of Securities	**Purpose for which funds are raised**	**Total Amount raised**	**Amount utilized for the other purpose**	**Unutilized balance as at balance sheet date**	**Remarks**
Equity Shares	For onward lending	Rs 502.44 Lakhs	Nil	Rs 310.00 Lakhs	Nil

xi) With respect to clause 3(xi), we state that:-

a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) In our opinion and according to the information and explanations given to us, no whistle blower complaints has been received by the Company during the year (and upto the date of this report).

xii) The Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Indian Accounting Standards.

xiv) With respect to Clause 3(xiv), we state that:-

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) With respect to Clause 3(xvi), we state that:-

a) The Company is required to, and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non -Banking Financial Company vide registration No. 06.00124 dated 19th June 2007.

b) The Company is not a Housing Finance Company as defined in the regulations made by the Reserve Bank of India. Hence, reporting under this clause of the order are not applicable.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) and (d) of the order are not applicable.

xvii) The Company has neither incurred cash losses during the financial year & nor in the preceding financial year.

xviii) Pursuant to the guidelines for appointment issued for statutory auditors for NBFC's (including HFC's) issued by Reserve Bank of India dated 27th April, 2021, there has been resignation of the statutory auditors during the year. Based on our communication available on record with erstwhile auditors, there are no professional issues, objections or concerns raised, by the outgoing auditors.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) Since, the Company is not meeting threshold specified in section 135(1) of the Act, reporting requirements of Clause 3(xx)(a) and (b) of the Order with respect to Corporate Social Responsibility are not applicable on the Company.

UDIN – 22529619AJQNEO4045
For GSA & Associates LLP
Chartered Accountants
Firm's Reg. No: 000257N/N500339

Tanuj Chugh
(Partner)
M. No.: - 529619
Place: New Delhi
Date: 26th May, 2022

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in clause (f) of paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **PHF LEASING LIMITED** as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN – 22529619AJQNEO4045
For GSA & Associates LLP
Chartered Accountants
Firm's Reg. No: 000257N/N500339

Tanuj Chugh
(Partner)
M. No.: - 529619

Place: New Delhi
Date: 26^{th} May, 2022

PHF Leasing Limited
Balance Sheet as at 31st March, 2022
(All amounts in Rupees in lacs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and Cash Equivalents	3	869.39	217.34
(b)	Loans	4	4,654.06	2638.66
(c)	Investments	5	55.08	44.87
(d)	Other Financial Assets	6	294.00	117.68
(2)	**Non- Financial Assets**			
(a)	Current tax assets (Net)	7	3.90	4.54
(b)	Deferred tax assets (Net)	8	5.73	13.86
(c)	Property, Plant and Equipment	9	95.56	13.84
(d)	Right of Use assets	10	107.96	93.74
(e)	Other non-financial assets	11	23.00	20.04
	Total Assets		**6,108.68**	**3164.56**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
(a)	Payables	12		
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	1.27
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		31.97	16.73
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		44.23	27.79
(b)	Debt Securities	13	1380.74	1008.67
(c)	Borrowings (Other than Debt Securities)	14	1990.23	961.37
(d)	Subordinated Liabilites	15	581.13	-
(e)	Deposits	16	863.67	535.00
(f)	Lease Liabilities		115.90	98.49
(g)	Other financial liabilities	17	8.86	3.61
(2)	**Non- Financial Liabilities**			
(a)	Provisions	18	1.11	-
(b)	Other non-financial liabilities	19	15.78	9.68
(3)	**EQUITY**			
(a)	Equity Share capital	20	550.00	298.78
(b)	Other Equity	21	525.07	203.17
	Total Liabilites and Equity		**6,108.68**	**3164.56**
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

This is the balance sheet referred to in our report of even date

For GSA & Associates LLP
Chartered Accountants
Firm Registration No.: 000257N/N500339

For and on behalf of the Board of Directors of
PHF Leasing Limited
CIN: L65110PB1992PLC012488

Tanuj Chugh
Partner
Membership No: 529619

Place: New Delhi
Date: May 26, 2022

Vijay Kumar Sareen
Whole-Time Director
DIN: 07978240

Place: Jalandhar
Date: May 26, 2022

Meghal Gupta
Director
DIN: 09179500

Place: Jalandhar
Date: May 26, 2022

Kuldip Bhandari
Chief Finance officer

Place: Jalandhar
Date: May 26, 2022

Shikha Kapoor
Company Secretary
Membership No: A19146
Place: Jalandhar
Date: May 26, 2022

PHF Leasing Limited
Statement of Profit and Loss for the year ended March 31,2022
(All amounts in Rupees in lacs, unless otherwise stated)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	Revenue from Operations			
(i)	Interest Income	22	855.20	348.80
(ii)	Dividend Income		0.07	-
(I)	**Total Revenue from Operations**		**855.27**	**348.80**
(II)	Other Income	23	8.17	4.55
(III)	**Total Income**		**863.44**	**353.35**
	Expenses			
(i)	Finance Costs	24	424.30	158.80
(ii)	Impairment on financial instruments	25	(22.51)	47.14
(iii)	Employee Benefits Expenses	26	271.10	120.65
(iv)	Depreciation, amortization and impairment	27	21.33	10.10
(v)	Others expenses	28	152.75	67.40
(IV)	**Total Expenses**		**846.97**	**404.09**
(V)	Profit/ (Loss) before exceptional and extraordinary items and tax		16.47	(50.74)
(VI)	Exceptional items		75.00	-
(VII)	Profit/ (Loss) before tax		91.47	(50.74)
(VIII)	Tax Expense:			
	(1) Current Tax	8	(12.20)	-
	(2) Deferred Tax credit/(Charge)	8	(8.37)	3.89
	(3) Earlier year tax adjusments		-	(0.93)
(IX)	**Profit/ (Loss) for the period**		**70.90**	**(47.78)**
(X)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			-
	Net gain on equity instrument designated at FVTOCI. (Shares in Capital Small Finance Bank)		5.20	
	Income tax relating to items that will not be reclassified to profit or loss		0.24	-
			5.44	-
	(B) (i) Items that will be reclassified to profit or loss			
	Re-measurement losses on defined benefit plans		(0.54)	(0.71)
	Income tax relating to items that will be reclassified to profit or loss		-	(0.69)
			(0.54)	**(1.40)**
	Total Other Comprehensive Income		**4.90**	**(1.40)**
(XI)	**Total Comprehensive Income / (Loss) for the period(Comprising Profit (Loss) and other Comprehensive Income for the period)**		**75.80**	**(49.18)**
(XII)	**Earnings per equity share**	29		
	Basic (Rs.)		2.04	(1.60)
	Diluted (Rs.)		2.04	(1.60)
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit or Loss referred to in our report of even date

For GSA & Associates LLP
Chartered Accountants
Firm Registration No.: 000257N/N500339

For and on behalf of the Board of Directors of
PHF Leasing Limited
CIN: L65110PB1992PLC012488

Tanuj Chugh
Partner
Membership No: 529619

Place: New Delhi
Date: May 26, 2022

Vijay Kumar Sareen
Whole-Time Director
DIN: 07978240

Place: Jalandhar
Date: May 26, 2022

Meghal Gupta
Director
DIN: 09179500

Place: Jalandhar
Date: May 26, 2022

Kuldip Bhandari
Chief Finance officer

Place: Jalandhar
Date: May 26, 2022

Shikha Kapoor
Company Secretary
Membership No: A19146
Place: Jalandhar
Date: May 26, 2022

PHF Leasing Limited
Statement of changes in equity for the year ended March 31, 2022
(All amounts in Rupees in lacs, unless otherwise stated)

(A) Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares of [Rs.10] each issued, subscribed and fully paid				
Opening	29.88	298.78	29.88	298.78
Add: Issued during the year	25.12	251.22	-	-
Closing	**55.00**	**550.00**	**29.88**	**298.78**

(B) Other equity

April 1, 2021 to March 31, 2022

Particulars	Reserve and surplus					Items of OCI		Total
	General Reserve	Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	Other Reserves (shares forefeited)	Other Reserves (investment reserve)	Retained Earnings	FVTOCI Reserve	Share Premium	
Balance at the beginning of the reporting period	29.38	118.96	-	-	35.77	19.06	-	**203.17**
Profit/Loss for the year	-	-	-	-	70.90	-	-	**70.90**
Other comprehensive income	-	-	-	-	-	4.90	-	**4.90**
Transfer to Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	-	14.18	-	-	(14.18)	-	-	**-**
Total other comprehensive income for the year	**-**	**14.18**	**-**	**-**	**56.72**	**4.90**	-	**75.80**
Addition during the year	-	-	-	-	-	-	251.22	**251.22**
Less: Expenses during the year	-	-	-	-	-	-	(5.13)	**(5.13)**
Balance at the end of the reporting period	**29.38**	**133.14**	**-**	**-**	**92.49**	**23.96**	**246.10**	**525.07**

April 1, 2020 to March 31, 2021

Particulars	Reserve and surplus					Items of OCI		Total
	General Reserve	Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	Other Reserves (shares forefeited)	Other Reserves (investment reserve)	Retained Earnings	FVTOCI Reserve	Share Premium	
Balance at the beginning of the reporting period	29.00	118.96	0.38	0.17	83.56	20.46	-	**252.53**
Loss for the year					(47.79)	(1.40)	-	**(49.19)**
Other comprehensive income	-	-	-	-	-	-	-	**-**
Transfer to Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	-	-	-	-	-	-	-	**-**
Total other comprehensive income for the year	**-**	**-**	**-**	**-**	**(47.79)**	**(1.40)**	-	**(49.19)**
Adjustments made/transfer from forefeited shares	0.38	-	(0.38)	(0.17)	-	-	-	**(.17)**
Balance at the end of the reporting period	**29.38**	**118.96**	**0.00**	**0.00**	**35.77**	**19.06**	**-**	**203.17**

The accompanying notes are an integral part of the financial statements

This is the Statement of change in equity referred to in our report of even date

For GSA & Associates LLP
Chartered Accountants
Firm Registration No.: 000257N/N500339

For and on behalf of the Board of Directors of
PHF Leasing Limited
CIN: L65110PB1992PLC012488

Tanuj Chugh
Partner
Membership No: 529619

Place: New Delhi
Date: May 26, 2022

Vijay Kumar Sareen
Whole-Time Director
DIN: 07978240

Place: Jalandhar
Date: May 26, 2022

Meghal Gupta
Director
DIN: 09179500

Place: Jalandhar
Date: May 26, 2022

Kuldip Bhandari
Chief Finance officer

Place: Jalandhar
Date: May 26, 2022

Shikha Kapoor
Company Secretary
Membership No: A19146
Place: Jalandhar
Date: May 26, 2022

PHF Leasing Limited

Statement of cash flows for the year half year ended 31st March,2022

(All amounts in Rupees in lacs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities		
Profit/(Loss) before tax	16.47	(50.74)
Adjustments for:		
Depreciation and amortization expenses	21.33	10.10
Impairment on financial instruments	(22.51)	47.14
Loss/ (Profit) on sale of assets	-	0.31
Finance cost	424.30	159.58
Interest income in respect of investing activity	-	(1.35)
Dividend income	(0.07)	-
Gain/(Loss) on Lease Modification	(2.46)	-
Interest income	(855.20)	(354.06)
	(418.13)	**(189.02)**
Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		
Changes in working capital		
Increase/(Decrease) in trade payables	20.07	(7.24)
Increase/(Decrease) in other payables	16.44	(19.95)
Increase in other financial liabilities	5.25	96.71
Increase in loans	(2,015.40)	(1618.69)
Increase in other non-financial assets	(2.96)	(35.77)
(Increase)/ Decrease in other financial assets	(176.32)	(179.83)
Cash used in operations before adjustments for interest received, interest paid and dividend received	**(2,571.06)**	**(1953.79)**
Interest paid	(396.71)	(159.58)
Interest received	855.20	354.06
Dividend received	0.07	-
Cash used in operations	**(2,112.50)**	**(1759.31)**
Income tax paid	(16.11)	(3.61)
Net cash flows (used in)/ from operating activities (A)	**(2,128.61)**	**(1762.92)**
Extraordinary Item	**75.00**	**-**
Net cash flows (used in)/ from operating activities (A)	**(2,053.61)**	**(1,762.92)**
Cash flow from Investing activities		
Payment for property, plant and equipment	(87.36)	(66.36)
Investment in government securities/FDR	(5.00)	(3.68)
Deletion of ROU	-	10.16
Net proceeds from fixed assets	-	0.50
Interest received	-	1.35
Net cash flow used in investing activities (B)	**(92.36)**	**(58.03)**
Cash flow from Financing activities		
Proceeds from Issue of Equity	497.32	-
Proceeds/(repayment) from issue of debt securities	372.06	749.25
Proceeds from Borrowings other than debt securities issued	1028.85	878.90
Proceeds from Subordinated Liabilites	581.13	-
Proceeds from issue of deposits	328.67	329.00
Payment of lease liabilities	(10.03)	(5.65)
Net cash flow from financing activities (C)	**2,798.01**	**1,951.50**
Net increase in cash and cash equivalents (A+B+C)	652.04	130.55
Cash and cash equivalents at the beginning of the year	217.34	86.79
Cash and cash equivalents at the end of the year	**869.39**	**217.34**

PHF Leasing Limited
Statement of cash flows for the year half year ended 31st March,2022
(All amounts in Rupees in lacs, unless otherwise stated)

Cash and cash equivalents comprise (Refer note 3)

Cash on hand	18.01	25.29
Balances with banks	52.12	113.89
Deposits with original maturity of less than three months	799.26	78.16
Total cash and bank balances at end of the year	**869.39**	**217.34**

Notes:
1. The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'
2. Figures in brackets represents cash ouflows
3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

For the year ended March 31, 2022

Particulars	Debt securities	Borrowings (other than debt securities)	Deposits	Lease liabilities
Opening balance as at April 1, 2021	1008.67	961.37	535.00	98.49
Cash flows during the year	372.06	1028.85	328.67	(10.03)
Non-cash changes due to				
- Acquisitions under finance lease	-	-	-	38.83
- Deletions under finance lease	-	-	-	(11.39)
Closing balance as at March 31, 2022	**1380.74**	**1990.23**	**863.66**	**115.90**

For the year ended March 31, 2021

Particulars	Debt securities	Borrowings (other than debt securities)	Deposits	Lease liabilities
Opening balance as at April 1, 2020	200.99	147.32	162.70	-
Cash flows during the year	746.10	751.81	351.05	(20.62)
Non-cash changes due to				
- Acquisitions under finance lease	-	-	-	52.60
- Interest on debt securities/ Borrowings/ deposits / lease liabilities	61.58	62.24	21.25	66.51
Closing balance as at March 31, 2021	**1008.67**	**961.37**	**535.00**	**98.48**

The accompanying notes are an integral part of the financial statements

This is the Statement of Cash flows referred to in our report of even date

For GSA & Associates LLP
Chartered Accountants
Firm Registration No.: 000257N/N500339

Tanuj Chugh
Partner
Membership No: 529619

Place: New Delhi

For and on behalf of the Board of Directors of
PHF Leasing Limited
CIN: L65110PB1992PLC012488

Vijay Kumar Sareen
Whole-Time Director
DIN: 07978240

Place: Jalandhar
Date: May 26, 2022

Meghal Gupta
Director
DIN: 09179500

Place: Jalandhar
Date: May 26, 2022

Kuldip Bhandari
Chief Finance officer

Place: Jalandhar
Date: May 26, 2022

Shikha Kapoor
Company Secretary
Membership No: A191
Place: Jalandhar
Date: May 26, 2022

1 General Information

PHF Leasing Limited (the "Company") is a public limited company domiciled in India and was incorporated on July 20, 1992 under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on Metropolitan Stock Exchange of India Limited. Its registered and principal office of business is located at 923, G.T. Road, Jalandhar, Punjab - 144005. The Company is an NBFC holding a Certificate of Registration from the Reserve Bank of India (“RBI”) dated May 15, 1998. The Company is primarily engaged in the business of financing vehicles. The Company has operating branches in Jalandhar, Batala, Amritsar, Kapurthala, Ferozpur, Hoshiarpur, Tarn Taran and Ludhiana. Borrowers are predominantly located in rural areas in India and Company makes available loans and finance to them mainly for use for the personal consumption, businesses or for other income generating activities.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 26, 2022.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees.

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as Amended from time to time).

The Company is regulated by the Reserve Bank of India (‘RBI’). RBI periodically issues/amends directions, regulations and/or guidance (collectively “Regulatory Framework”) covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:
i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-
i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 2.15 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	
Furniture and Fixtures	10 years
Electric Equipments	10 years
Office Equipment	5 years
Vehicles	8-10 years
Computers:	
-End user devices such as, desktops, laptops etc.	3 years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.4 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount, discounted at the Company's incremental borrowing rate at the date of initial application.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company's lease asset classes consist of leases for office premises.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i)Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii)Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii)Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office building and warehouses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office building that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company also applied the available practical expedients wherein it:
- Applied single discount rate to the portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Uses hindsight, such as in determining the lease tem if the contract contains options to extend or terminate the lease

2.4 Revenue Recognition

Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed
a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest spread under par structure of direct assignment of loan receivables is recognised upfront.

Dividend Income
Dividend income is recognised when the right to receive the payment is established

Fees & Commission Income
Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:
Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Net gain/loss on fair value changes
Any differences between the fair values of financial assets classified as fair value through the profit or loss or OCI, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of profit and loss.
Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

Net gain/loss on derecognition of financial instruments under amortised cost category
In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip initially is recognised at FVTPL under interest income

Other Income
Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.5 Finance Costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed
a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

2.6 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generate taxable income.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences except:
• When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus, if any, taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.
The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

2.8 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

2.10 Financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the cashflows of the financial assets and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

• How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

• The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

• How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

• The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets goingforward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, Loans, Trade receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

Financial assets measured at fair value through other comprehensive income

Debt instruments
Investments in debt instruments are measured at fair value through other comprehensive income where they have:
a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in the statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss.

Equity instruments
Investment in equity instruments that are neither held for trading, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrumentby-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to the statement of profit and loss.

Dividends on such investments are recognised in the statement of profit and loss.

Items at fair value through profit or loss

Items at fair value through profit or loss comprise:
• Investments (including equity shares) held for trading;
• Items specifically designated as fair value through profit or loss on initial recognition; and
• debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date, the Company does not have any financial instruments measured at fair value through profit or loss.
Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, trade & other payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives, if any, are also classified as held for trading unless they are designated as effective hedging instruments.

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI. No impairment loss is applicable on equity investments

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Derecognition of financial assets

A financial asset is derecognized only when
a) the rights to receive cash flows from the financial asset is transferred or
b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

Derecognition of financial liabilities

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.11 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 — Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date
► Level 2 — Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Company's financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (FVA). Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company estimates the value of its own credit from market observable data, such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debts on itself.

2.12 Retirement and other employee benefits

Short term employee benefit
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as anexpense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits
a) Defined contribution schemes
All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The LIC fund.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

2.13 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.15 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

(b) Defined benefit plans (gratuity benefits)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

Judgements

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test . The Company determines the business model at a level that reflects how Companys of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets

(b) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

(c) Effective Interest Rate (EIR) method

The Company's EIR methodology, as explained, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

(d) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of assets in its portfolio and generally disposes such assets through auction, to settle outstanding debt. The Company generally does not use the assets repossessed for the internal operations.

The underlying loans in respect of which collaterals have been repossessed and not sold for more than 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession.

(e) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates

2.16 Operating segments

The Company's main business is financing by way of loans for retail and corporate borrowers in India. The Company's operating segments consist of "Financing Activity" and "Others". All other activities of the Company revolve around the main businesses. This in the context of Ind AS 108 – operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. Accordingly, all operating segment's operating results of the Company are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The "Financing Activity" segment consists of vehicle financing, term loans (corporate and retail).

Revenue and expense directly attributable to segments are reported under each operating segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

2.17 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging

3 Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	18.01	25.29
Balances with banks	52.12	113.89
Deposits with original maturity of less than three months	799.26	78.16
	869.39	**217.34**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

4 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
(A) (i) Term loans*	418.40	242.86
(ii) Others		
(a) Hypothecation loans	2,709.43	1154.49
(b) Repossessed Vehicles	65.63	29.46
(c) Loan against Property	541.80	153.91
(d) MSME Loan**	385.34	98.40
(e) Direct Assignment	581.74	1038.74
Total (A) -Gross	**4,702.35**	**2717.86**
Less:Impairment loss allowance	48.29	79.20
Total (A) - Net	**4,654.06**	**2638.66**
(B) (i) Secured by tangible assets	4,702.35	2717.86
(ii) Unsecured	-	-
Total (B)-Gross	**4,702.35**	**2717.86**
allowance	48.29	79.20
Total (B)-Net	**4,654.06**	**2638.66**
(C) (I) Loans in India		
(i) Public Sector	4,283.95	2,474.99
(ii) Others		
Corporate Loans	418.40	242.86
Total (C)- Gross	**4,702.35**	**2717.86**
Less: Impairment loss allowance	48.29	79.20
Total(C) (I)-Net	**4,654.06**	**2638.66**
(C) (II)Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C) (II)- Net	-	-
Total C(I) and C(II)	**4,654.06**	**2638.66**

*** This includes the adjustment of First Loss Default Guarantee (FLDG) amounting to INR 79.20 lacs for March 31, 2022 & INR 35.00 Lacs for March 31,2021.**

**** This includes the adjustment of First Loss Default Guarantee (FLDG) amounting to INR 21.00 lacs for March 31, 2022.**

(All amounts in Rupees in lacs, unless otherwise stated)

5 Investments

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortised cost	At Fair value through Other Comprehensive Income	Total	Amortised cost	At Fair value through Other Comprehensive Income	Total
Government securities	19.08	-	**19.08**	19.08	-	**19.08**
Equity instruments	-	31.00	**31.00**	-	25.79	**25.79**
Fixed Deposit with other NBFC	5.00		**5.00**	-	-	-
Total - Gross	**24.08**	**31.00**	**55.08**	**19.08**	**25.79**	**44.87**
(i) Investments outside India	-	-	**-**	-	-	**-**
(ii) Investments in India	24.08	31.00	**55.08**	19.08	25.79	**44.87**
Total - Gross	**24.08**	**31.00**	**55.08**	**19.08**	**25.79**	**44.87**
Less: Allowance for Impairment loss/ Provision of Depreciation on investments	**-**	**-**	**-**	**-**	**-**	**-**
Total - Net	**24.08**	**31.00**	**55.08**	**19.08**	**25.79**	**44.87**

Foot Notes

i. Details of investments

Particulars	Face Value (in Rs.)	Number of units As at March 31, 2022	Number of units As at March 31, 2021	Amount As at March 31, 2022	Amount As at March 31, 2021
(A) Investments in Government or Trust securities - at cost					
6.01% GOI Securities 2028	100	7,800	7,800	7.79	7.79
6.30% GOI Securities 2023	100	9,400	9,400	9.22	9.22
6.17% GOI Securities 2028	100	2,000	2,000	2.07	2.07
(B) Investment in Equity instruments - at FVTOCI					
(Capital Small Finance Bank Ltd.)					
10,237 equity shares of Rs 302.80 each	10	10,237	10,237	31.00	25.80
		29,437	**29,437**	**50.08**	**44.88**

(All amounts in Rupees in lacs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
6 Other financial assets		
Advances to Vehicle dealers	274.36	92.09
Claim Receivable from Central Government	-	9.57
Interest accrued on:		
- Fixed deposits	4.11	0.00
- MPSEB Bonds	5.94	5.94
- Bonds & GOI Securities	0.30	0.56
Security Deposits	3.35	2.30
Other financial assets	5.94	7.22
	294.00	**117.68**

	As at March 31, 2022	As at March 31, 2021
7 Current tax assets		
Advance income tax [net of provision]	3.90	4.54
	3.90	**4.54**

8 Deferred tax assets (Net)	As at March 31, 2022	Charge/(Benefit) during the year	As at March 31, 2021
Deferred tax relates to the following:			
Deferred tax assets			
On property, plant and equipment	(1.65)	1.78	0.13
On lease liabilities (net)	1.82	(0.73)	1.09
On Impairment on financial instruments	11.05	7.07	18.12
Provision for Leave Encashment	(0.25)	0.25	-
	10.96	**8.37**	**19.34**
	-	-	**-**
Gross deferred tax assets	**10.96**	**8.37**	**19.34**
Deferred tax liabilities			
On Items recognised in OCI	5.23	(0.24)	5.48
Gross deferred tax liabilities	**5.23**	**(0.24)**	**5.48**
Net Deferred tax Asset	**5.73**	**8.13**	**13.86**

The components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	(12.20)	-
Deferred Tax(Credit)/ Charge relating to origination and reversal of temporary differences	(8.13)	3.20
Earlier year tax adjustments	-	(0.93)
	(20.33)	**2.27**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and year ended March 31, 2021 is, as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	**91.47**	**(50.74)**
At India's statutory income tax rate of 25.168%	(23.02)	**-**
Non-deductible expenses		-
Donation not allowable for tax purpose	-	(0.05)
Interest on delayed payments to MSME	-	(0.05)
Others	2.69	(2.16)
Income tax expense reported in the statement of profit and loss	**(20.33)**	**(2.27)**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account. Also there are no previously unrecorded income and unrelated assets which are to be recorded in the books of accounts during the year.

PHF Leasing Limited

Notes forming part of the Financial Statements for the year ended March 31,2022

(All amounts in Rupees in lacs, unless otherwise stated)

9 Property, Plant and Equipment-Tangible assets

	Gross block				Depreciation				Net block	
	As at April 01, 2021	Additions	Deductions	Up to March 31, 2022	As at April 01, 2021	For the period	On Deductions	Up to March 31, 2022	As at March 31,2021	As at March 31, 2022
Owned assets										
Leasehold Improvements	-	43.21	-	43.21	-	0.36	-	0.36	-	42.85
Furniture and fixtures	5.10	28.44	-	33.54	1.54	1.82	-	3.37	3.56	30.18
Vehicles	7.28	0.00	-	7.28	3.01	0.55	-	3.57	4.25	3.72
Office equipments	1.92	0.23	-	2.15	1.32	0.11	-	1.43	0.60	0.72
Electical Equipments	3.01	5.84	-	8.85	0.45	0.62	-	1.07	2.56	7.78
Computers	4.94	9.64	-	14.58	2.08	2.19	-	4.27	2.87	10.31
Total	**22.26**	**87.36**	**-**	**109.61**	**8.40**	**5.65**	**-**	**14.05**	**13.84**	**95.56**

10 Right of Use assets

	Gross block				Amortization				Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	Up to March 31, 2022	As at April 01, 2021	For the year	On Deductions/ Adjustments	Up to March 31, 2022	As at March 31,2021	As at March 31, 2022
Office builidings	109.72	38.83	12.51	136.04	15.98	15.68	3.57	28.09	93.74	107.96
Total	**109.72**	**38.83**	**12.51**	**136.04**	**15.98**	**15.68**	**3.57**	**28.09**	**93.74**	**107.96**

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
(ii) The Company does not own any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).
(iii) No revaluation made during the year and previous year.

PHF Leasing Limited
Notes forming part of the Financial Statements for the year ended March 31,2022
(All amounts in Rupees in lacs, unless otherwise stated)

11 Other non financial assets

	As at March 31, 2022	As at March 31,2021
Prepaid Expenses	11.20	0.45
Advance for Capital Goods	-	16.35
Other non-financial assets	2.31	-
Taxes and Duties	9.50	3.24
	23.00	**20.04**

12 Payables

	As at March 31, 2022	As at March 31,2021
(I) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	-	1.27
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	31.97	16.73
	31.97	**18.00**
(II) Other payables		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Employee Related Payable	33.70	17.49
- Other Payables	10.53	10.31
	44.23	**27.79**

Disclosure relating to suppliers registered under MSMED Act based on the information available with the NBFC:

Particulars	As at March 31, 2022	As at March 31,2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	1.05
Interest	-	0.22
Total	**-**	**1.27**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section	-	-

Trade Payables Aging schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-
ii. Others	-	31.97	-	-	-	31.97
iii. Disputed Dues - MSME	-	-	-	-	-	-
iv. Disputed Dues - Others	-	-	-	-	-	-

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	1.27	-	-	-	1.27
ii. Others	-	16.73	-	-	-	16.73
iii. Disputed Dues - MSME	-	-	-	-	-	-
iv. Disputed Dues - Others	-	-	-	-	-	-

PHF Leasing Limited
Notes forming part of the Financial Statements for the year ended March 31,2022
(All amounts in Rupees in lacs, unless otherwise stated)

13 Debt Securities

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Debentures	1380.74	1008.67
Debentures Application money pending allotment	-	-
Total (A)	**1380.74**	**1008.67**
Debt securities in India	1380.74	1008.67
Debt securities outside India	-	-
Total (B)	**1380.74**	**1008.67**

Terms and conditions:
Redeemable non-covertible debentures (NCD) -Secured
Public issue of redeemable non convertible debentures of Rs. 1,000 each
Nature of Security: Secured on Book Debts

Terms of repayment as on March 31, 2022

Repayment terms	Rate of interest		Total
	<10%	>=10%<=12.25%	
Over 60 months	3.25	1117.94	**1121.19**
48-60 months	-	31.63	**31.63**
36-48 months		79.07	**79.07**
24-36 months	-	-	**-**
12-24 months	-	-	**-**
Upto 12 months	148.86		**148.86**
Total	**152.11**	**1228.63**	**1231.88**

Terms of repayment as on March 31, 2021

Repayment terms	Rate of interest		Total
	<10%	>=10%<=12%	
Over 60 months	-	882.28	**882.28**
48-60 months	2.65	-	**2.65**
36-48 months	-	-	**-**
24-36 months	-	113.74	**113.74**
12-24 months	9.99	-	**9.99**
Total	**12.64**	**996.03**	**1008.67**

During the year there were no defaults in the repayment of principal and interest.

14 Borrowing (Other than Debt Securities)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost (Secured)		
(a)Term loans/Cash Credit limit		
(i)from banks - Cash Credit	-	55.67
(ii)from banks - Over Draft	179.27	-
(iii)from corporates -INR	1810.96	905.70
Total (A)	**1990.23**	**961.37**
Borrowings in India	1990.23	961.37
Borrowings outside India	-	-
Total (B)	**1990.23**	**961.37**

As at March 31,2022
A Term loans from banks -secured (INR)
Terms of repayment

Nature	Rate of interest	Repayment details	Amount
Cash Credit	13.50%	On the basis of working capital needs	-
Over Draft	6.75%	On the basis of working capital needs	179.27
Total			**179.27**

Nature of security
Hypothecation of hire purchase stock of company & book debt arising out of genuine trade transaction not older than 90 days. Additional charge on property situated at Kutbewal, Tehsil : Pillaur

Nature of security in Over draft Limit against Fixed Deposit with Bank.

(All amounts in Rupees in lacs, unless otherwise stated)

B Term loans from corporates -secured (INR)

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
36-48 Months	12% to 15%	To be paid on 11/21/25th of every months	6.68
24-36 months	12% to 15%	To be paid on 11/21/25th of every months	108.94
12-24 months	12% to 15%	To be paid on 11/21/25th of every months	777.21
upto 12 months	12% to 15%	To be paid on 11/21/25th of every months	917.93
Total			**1,810.76**

Nature of security: Exclusive hypothecation of loans receivables.

As at March 31, 2021

A Term loans from banks -secured (INR)

Terms of repayment

Nature	Rate of interest	Repayment details	Amount
Cash Credit	13.50%	On the basis of working capital needs	55.67
Total			**55.67**

Nature of security

Hypothecation of hire purchase stock of company & book debt arising out of genuine trade transaction not older than 90 days. Additional charge on property situated at Kutbewal, Tehsil : Pillaur

B Term loans from corporates -secured (INR)

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
24-36 months	12% to 15%	To be paid on 11/21/25th of every months	169.15
12-24 months	12% to 15%	To be paid on 11/21/25th of every months	310.48
upto 12 months	12% to 15%	To be paid on 11/21/25th of every months	426.07
Total			**,905.70**

Nature of security: Exclusive hypothecation of loans receivables.

Additional Notes

(i) During the year there were no defaults in the repayment of principal and interest.
(ii) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
(iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
(iv) The Company has not been declared wilful defaulter by any bank or financial institution.
(v) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

15 Subordinated Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Subordinated Debentures	581.13	-
Total (A)	**581.13**	**-**

Terms of repayment as on March 31, 2022

Repayment terms	Rate of interest		Total
	<10%	>=10%<=12%	
Over 60 months	-	581.13	**581.13**
48-60 months	-	-	**-**
36-48 months	-	-	**-**
24-36 months	-	-	**-**
12-24 months	-	-	**-**
Upto 12 months	-	-	**-**
Total	**-**	**581.13**	**581.13**

During the year there were no defaults in the repayment of principal and interest.

16 Deposits

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost (Unsecured)		
(i) Public Deposits	-	0.36
(ii)From Corporates	702.67	454.64
(iii)From Director and its related party	161.00	80.00
	863.67	**535.00**

As at March 31, 2022

A **Deposits from public - unsecured**
Outstanding as on March 31, 2022 : Nil

B **Deposits from Corporates - unsecured**
Outstanding as on March 31, 2022: INR 702.67 lacs
Terms of repayment: Repayable on demand
Rate of Interest: 11% p.a~12% p.a

C **Deposits from directors and its related parties - unsecured**
Outstanding as on March 31, 2022: INR 161.00 lacs
Terms of repayment: Repayable on demand
Rate of Interest: 11% p.a~12% p.a

As at March 31, 2021

A **Deposits from public - unsecured**
Outstanding as on March 31, 2022 : INR 0.36 lacs
Rate of Interest: 11% p.a

B **Deposits from directors and its related parties - unsecured**
Outstanding as on March 31, 2021 : INR 80.00 lacs
Rate of Interest: 12% p.a

C **Deposits from Corporates - unsecured**
Outstanding as on March 31, 2021 : Nil
Terms of Repayment: Repayable on Demand
Rate of Interest: 11% p.a - 12% p.a.

17 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued Interest	3.76	1.80
Unpaid Dividends*	0.15	0.19
Other financial liabilities	4.95	1.62
	8.86	**3.61**

* As per section 124(5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to Investor Education and Protection Fund. The Company has transferred the amount of INR 1,890 to such fund on May 27, 2021.

18 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	1.11	-
	1.11	**0.00**

19 Other Non-Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Due Payable	15.78	9.68
	15.78	**9.68**

(All amounts in Rupees in lacs, unless otherwise stated)

20 Equity Share capital

	As at March 31, 2022	As at March 31, 2021
Authorized		
1,00,00,000 (March 31, 2021: 4,500,000) equity shares of Rs. 10/- each	1000.00	450.00
	1000.00	**450.00**
Issued		
55,14,500 (March 31, 2021: 30,02,300) equity shares of Rs. 10/- each	551.45	300.23
	551.45	**300.23**
Subscribed and fully paid-up shares		
55,00,000 (March 31, 2021: 2,987,800) equity shares of Rs. 10/- each	550.00	298.78
	550.00	**298.78**

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,987,800	298.78	2,987,800	**298.78**
Add: Issued during the year	2,512,200	251.22	-	-
Outstanding at the end of the year	**5,500,000**	**550.00**	**2,987,800**	**298.78**

(b) **Rights, preferences and restrictions attached to shares**

The PHF leasing Ltd has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The PHF Leasing Ltd declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the PHF Leasing Ltd , the holders of equity shares will be entitled to receive remaining assets of the PHF Leasing Ltd, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) The company has not alloted any equity shares as fully paid up by the way of bonus shares or other than consideration in cash in the last 5 years.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Shiv Dyal Chugh	-	-	639,980	21.42%
Nitika Shikha Chugh	679,980	12.36%	-	-
Agile Finserv Pvt.Ltd.	1,088,200	19.79%	590,000	19.75%
Hamco Ispat Private Ltd.	450,000	8.18%	200,000	6.69%
Shant Kumar Gupta (HUF)	359,770	6.54%	-	-
Nalini Rampilla	500,000	9.09%	-	-
Kalyana Chakravarthy Pilla	500,000	9.09%	-	-
Glosec Sub Broker and Marketing Services	434,700	7.90%	-	-
Manthan Gupta	254,000	4.62%	180,000	6.02%

(e) **Promoter shareholding**

S.No.	Promoter Name	As at 31st Mar, 2022		As at 31st Mar, 2021		%Change during the year
		No. of Shares	% shareholding	No. of Shares	% shareholding	
1	Shiv Dyal Chugh	-	-	639,980	21.42%	-100.00%
2	Chandan Chugh	20,000	0.36%	20,000	0.67%	0.00%
3	Rohin Chugh	20,000	0.36%	20,000	0.67%	0.00%
4	Nitika Shikha Chugh	679,980	12.36%	-	-	100.00%

S.No.	Promoter Name	As at 31st Mar, 2021		As at 31st Mar, 2020		%Change during the year
		No. of Shares	% shareholding	No. of Shares	% shareholding	
1	Shiv Dyal Chugh	639,980	21.42%	1,169,750	39.15%	-45.29%
2	Seth Ram Chand SD Chugh (HUF) .	-	-	115,230	3.86%	-100.00%
3	Jyotsna Chugh	-	-	50,000	1.67%	-100.00%
4	Haripal Singh Gill	-	-	30,000	1%	-100.00%
5	Chandan Chugh	20,000	0.67%	20,000	0.67%	0.00%
6	Rohin Chugh	20,000	0.67%	20,000	0.67%	0.00%

(All amounts in Rupees in lacs, unless otherwise stated)

As per records of the PHF Leasing Ltd , including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

21 Other Equity	As at March 31, 2022	As at March 31, 2021
(a) General Reserve		
Opening balance	29.38	29.00
Add: Transferred from retained earnings	-	0.38
Closing balance	**29.38**	**29.38**
(b) Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	118.96	118.96
Add: Transferred from retained earnings	14.18	-
Closing balance	**133.14**	**118.96**
(c) Share Options (Forefeited)		
Opening balance	-	0.38
Add: Transferred during the year	-	(0.38)
Closing balance	**-**	**-**
(d) Other Reserves (Investment reserve)		
Opening balance	-	0.17
Less: Adjustment during the year	-	0.17
Closing balance	**-**	**-**
(e) Other comprehensive income		
Opening balance	19.06	20.46
Add: Net gain on equity instrument designated at FVOCI	5.44	-
Add: Remeasurement gain/(loss) on defined benefit plan (net of tax)	(0.54)	(1.40)
Closing balance	**23.96**	**19.06**
(f) Share Premium acount		
Opening balance	-	-
Add: Shares during the year	251.22	-
Less: Expenses during the year	(5.13)	-
Closing balance	**246.10**	**-**
(f) Retained earnings		
Opening balance	35.77	83.56
Add: Net Profit/(Net Loss) for the current year	70.90	(47.79)
Add /(Less): Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(14.18)	-
Closing balance	**92.49**	**35.77**
Total Reserves and surplus	**525.07**	**203.17**

Nature and purpose of reserves

(a) General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(b) Statutory Reserve (Pursuant to Section 45-IC of The RBI

Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twentyone days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

(c) Share Options (Forefeited)

The Company came out with a public issue of equity shares of INR 10 each aggregating to Rs. 150 lacs on January 14, 1997. A sum of Rs. 2.50 per share was paid as share application money and Rs. 7.50 was to be paid on allotment by successful applicants as per the terms of the prospectus.

Notices were issued to successful applicants who failed to pay the Allotment money. A last and final call notice dated February 6, 2012 was sent to the shareholders calling to pay the unpaid amount failure to which the shares shall be liable for forfeiture as decided by the Board at its meeting held on January 21, 2012.

The Board of Directors of the company vide its meeting held on March 10, 2012 forfeited 14,500 shares of Rs. 10 each.

Rs. 38,425 was received as application money for 14,500 shares which was transferred to Share forfeited reserve after forfeiture of shares on which calls-in-arrear were not received. The amount has been transferred from Share Options (Forfeited) Reserve to General Reserve.

(d) Investment reserve

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. The SLR securities have been remeasured at Purchase value in the Financial Year 2020-21.

(e) Other comprehensive income

The Company is a shareholder of Capital Small finance Bank Ltd. (CSFB) holding 10,237 equity shares of Rs. 10/- each. The Company purchased 9307 shares at Rs. 20/- per share which were recorded at Rs. 186,140/- in the Balance sheet.

Capital Small Finance Bank Ltd. has granted ESOP as per the ESOP Valuation Report dated May 02, 2022. The Fair Valur per Equity Share as on 31.12.2021 as per ESOP Valuation Report is Rs. 302.80/-. The same value has been taken by the company for recording the shares at Fair value which is as per guidance provided under Ind As 109 as applicable to the company.

Therefore, OCI reserve was created with the differential amount in accordance with Ind AS 109.

Other comprehensive income also includes Remeasurement gain/(loss) on defined benefit plan: Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

(f) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and general reserves.

(All amounts in Rupees in lacs, unless otherwise stated)

22 Interest Income

	Year ended March 31, 2022			Year ended March 31, 2021		
Particulars	**Interest Income on Financial Assets classified at fair value through other comprehensive income**	**On Financial Assets measured at Amortised Cost**	**Total**	**Interest Income on Financial Assets classified ay fair value through other comprehensive income**	**On Financial Assets measured at Amortised Cost**	**Total**
Interest on Loans	-	796.17	**796.17**	-	336.91	**336.91**
Interest income from investments	-	1.18	**1.18**	-	1.35	**1.35**
Interest on deposits with Banks	-	7.51	**7.51**	-	1.34	**1.34**
Income from loan related and other commission services	-	50.34	**50.34**	-	9.20	**9.20**
Total	**-**	**855.20**	**855.20**	**-**	**348.80**	**348.80**

23 Other Income

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Rent Concession	0.72	1.93
Interest on Income Tax Refund	-	0.62
Profit on sale of repossessed vehicle	4.07	0.32
Miscelleanous Income	0.93	1.68
Gain on Lease Modification	2.46	-
	8.17	**4.55**

24 Finance Cost

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
On Financial liabilities measured at amortised cost		
- Interest on deposits	3.58	21.25
- Interest on Inter corporate deposits	61.38	5.65
Interest on borrowings (other than debt securities)		
- Loan from corporates	169.63	62.24
Interest on debt securities		
- Debentures	173.65	61.58
Other interest expense		
- Interest On Lease Liability	11.16	3.24
- Bank Interest	4.91	4.62
- Interest on delayed payments to MSME	-	0.22
	424.30	**158.80**

25 Impairment on Financial Instruments

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
On financial instruments measured at amortised cost		
Loans*	(30.91)	48.88
Bad Debt Written off	8.41	-
Others	-	(1.74)
	(22.51)	**47.14**

*The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31,2022

	General approach			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers	(15.90)	(2.16)	(12.85)	(30.91)
Total impairment loss	**(15.90)**	**(2.16)**	**(12.85)**	**(30.91)**

Year ended March 31, 2021

	General approach			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers	40.48	4.49	3.91	**48.88**
Total impairment loss	**40.48**	**4.49**	**3.91**	**48.88**

26 Employee Benefit Expenses

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Salaries and wages	247.46	111.06
Leave Encashment	1.11	-
Contribution to provident and other funds	16.23	7.28
Gratuity expenses	3.57	-
Staff welfare expenses	2.73	2.31
	271.10	**120.65**

27 Depreciation and amortization expense

(All amounts in Rupees in lacs, unless otherwise stated)

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Depreciation of property, plant and equipment	5.65	2.20
Depreciation on Right-of-use assets	15.68	7.90
	21.33	**10.10**

28 Other Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent, taxes and energy costs	8.29	3.78
Repairs and maintenance	3.74	3.30
Communication Costs	4.24	3.10
Printing and Stationery	7.25	2.61
Advertisement and publicity	1.89	2.09
Director's fees, allowances and expenses	0.82	0.52
Rates and Taxes	14.18	4.80
Payment to auditor (Refer details below)	9.28	3.15
Legal and Professional charges	45.76	13.32
Insurance	3.02	1.92
Tour & Travelling Expenses	33.17	14.78
Donation	0.00	0.23
Entertainment & Festive Expenses	4.70	2.90
Incentive Expenses	10.68	0.37
Loss on Sale of Fixed Assets	-	0.31
Membership Fees & Subcription	1.22	4.35
Software Development Charges	1.52	1.90
Miscellanous Expenditure	2.99	3.97
	152.75	**67.40**

Note : The following is the break-up of Auditors remuneration

Payment to Auditors (exclusive of applicable taxes):	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit fees	6.50	2.50
Out of Pocket Expenses	0.78	-
Internal Audit fees	1.80	-
Certification	0.20	0.65
	9.28	**3.15**

The above Statutory Audit fees includes INR 2.5 Lakhs paid to predecessor auditor.

29 Earnings/ Loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2022	Year ended March 31, 2021
Earning / Loss attributable to equity holders	70.90	-47.78
Weighted average number of equity shares for basic EPS	34.80	30.02
Basic Profit/Loss per share (INR)	2.04	-0.00
Diluted Profit/loss per share (INR)	2.04	-0.00

30 Employee benefits

(A) **Defined Contribution Plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

	Year ended March 31, 2022	Year ended March 31, 2021
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 26)	16.23	7.28

(B) Defined benefit plans

a) Gratuity payable to employees

b) Leave Encashment

i) **Actuarial assumptions**

	Gratuity		Leave Encashment	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate (per annum)	7.18%	6.79%	7.18%	-
Rate of increase in Salary	5%	5%	5%	-
Expected average remaining working lives of employees (years)	22.27	21.92	22.27	-
Attrition rate				-
Upto 30 years	5%	5%	5%	-
From 31-44 years	3%	3%	3%	-
Above 44 years	2%	2%	2%	-

ii) **Changes in the present value of defined benefit obligation**

	Gratuity		Leave Encashment	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the beginning of the year	20.14	17.85	-	-
Interest cost	1.37	1.18	-	-
Past service cost	-	-	0.80	-
Current service cost	3.68	1.72	0.32	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Benefits paid	0.00	(1.38)	-	-
Actuarial (gain)/ loss on obligations	0.65	0.75	-	-
Present value of obligation at the end of the year	**25.84**	**20.14**	**1.11**	**-**

iii) **Expense recognized in the Statement of Profit and Loss**

	Gratuity		Leave Encashment	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Current service cost	3.68	1.72	0.32	-
Past service cost	-	-	0.80	-
Interest cost	(0.21)	(0.19)	-	-
Expected return on plan assets	-	-	-	-
Actuarial (gain) / loss on obligations	-	-	-	-
Settlements	-	-	-	-
Curtailments	-	-	-	-
Total expenses recognized in the Statement Profit and Loss*	**3.47**	**1.53**	**1.11**	**-**

*Included in Employee benefits expense (Refer Note 26). Actuarial loss of INR 0.54 lacs is included in other comprehensive income.

(All amounts in Rupees in lacs, unless otherwise stated)

iv) **Change in plan assets**

	Gratuity		Leave Encashment	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the period	23.24	20.70	-	-
Actual return on plan assets	1.69	1.42	-	-
Employer contribution	3.22	2.50	-	-
Benefits paid	-	(1.38)	-	-
Fair value of plan assets at the end of the period	**28.15**	**23.24**	**-**	**-**

v) **Assets and liabilities recognized in the Balance Sheet:**

	Gratuity		Leave Encashment	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Present value of unfunded obligation as at the end of the year	25.84	20.14	1.11	-
Fair value of plan assets	28.15	23.24	-	-
Unfunded net asset / (liability) recognized in Balance Sheet	**2.31**	**3.10**	**(1.11)**	**-**

vi) **Other Comprehensive Income**

	Gratuity	
	As at March 31, 2022	As at March 31, 2021
a) Net cumulative unrecognized actuarial gain/(loss) opening	-	-
b) Actuarial gain / (loss) for the year on PBO	(0.65)	(0.75)
c) Actuarial gain /(loss) for the year on Asset	0.11	0.04
d) Unrecognized actuarial gain/(loss) for the year	(0.54)	(0.71)

vi) **Major categories of plan assets (as percentage of plan assets)**
The Company contributes all ascertained liabilities to The LIC fund. Due to non- availability of information, the management could not disclosed the major categories of plan assets in accordance with requirements of Ind-AS 19 “Employee Benefits”. Management has made due efforts in collating the information but was unable to gather the information. This information is neither available for past periods nor for current year.

	Gratuity		Leave Encashment	
vii) **Expected contribution to the fund in the next year**	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Gratuity/Leave Encashment	4.88	2.27	0.40	-

viii) A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

	Gratuity		Leave Encashment	
Impact on defined benefit obligation	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Discount rate				
0.5% increase	(0.99)	(0.77)	(0.06)	-
0.5% decrease	1.08	0.83	0.06	-
Rate of increase in salary				
0.5% increase	1.09	0.85	0.06	-
0.5% decrease	(1.02)	(0.79)	0.06	-

	Gratuity		Leave Encashment	
ix) Maturity profile of defined benefit obligation	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Year				
Apr 2020- Mar 2021	0.00	4.48	0.00	-
Apr 2021- Mar 2022	3.62	1.34	0.15	-
Apr 2022- Mar 2023	5.07	1.52	0.08	-
Apr 2023- Mar 2024	0.41	0.40	0.03	-
Apr 2024- Mar 2025	0.43	0.34	0.03	-
Apr 2025- Mar 2026	1.81	1.18	0.11	
Apr 2026- Mar 2027	0.41	10.87	0.02	-
Apr 2027 onwards	14.08	0.00	0.69	-

31 Leases where company is a lessee

)(ia) Changes in the carrying value of Right-of-use Assets

Particulars		**Asset Class Office Building**
Balance as at April 1, 2020		48.52
Additions		63.27
Deletion		(10.16)
Depreciation		(7.90)
Balance as at March 31, 2021		**93.74**
Additions		38.83
Deletion		(12.51)
Depreciation		(15.68)
Amortisation Deprecation		3.57
Balance as at March 31, 2022	0	**107.96**

(ib) Changes in the Lease liabilities

Particulars	**Asset Class Office Building**
Balance as at April 1, 2020	52.60
Additions (Interest)	66.51
Lease Payments	(20.62)
Balance as at March 31, 2021	**98.49**
Additions	38.83

Deletion	(11.39)
Interest	11.16
Lease Payments	(21.19)
Balance as at March 31, 2022	**115.90**

(All amounts in Rupees in lacs, unless otherwise stated)

(ii) Break-up of current and non-current lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current Lease Liabilities	21.28	4.79
Non-current Lease Liabilities	94.62	93.70

(iii) Maturity analysis of lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	21.28	17.66
One to five years	86.11	79.46
More than five years	61.40	61.63

(iv) Amounts recognised in statement of Profit and Loss account

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Lease Liabilities	11.16	3.24
Depreciation on Right of Use asset	15.68	7.90
Total	**26.84**	**11.14**

(v) Amounts recognised in statement of Cash Flows

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total Cash outflow for leases	10.03	5.65

32 Segment information

The primary reporting of the Company has been performed on the basis of business segment. The Company is primarily engaged in the business of financing. The Chief Operating Decision Maker (CODM) reviews all resources are predominantly used for development of outsourcing business and the entire activities are governed by the same set of risks and returns and hence have been considered as representing a single segment. Hence no separate segment information has been furnished herewith.

33 Expenditure and Earnings in foreign currency

There are no expenditure or earnings in foreign currency for the year ended March 31, 2022 and March 31, 2021.

34 Related party disclosures

(a) Names of the related parties and related party relationship

Relationship	Name of Party
(i) Promoter and Promotor group	Late Sh.Shiv Dyal Chugh (expired on 07.03.2021)
	Mr. Chandan Chugh
(ii) Entities owned or significantly influenced by Key Managerial Personnel or their relatives	**Mr. Chandan Chugh**
	PHF Finance Private Limited
	Seth Ram chand HUF
(iii) Director/Key management personnel or their relatives	Mr. Vijay Kumar Sareen (Whole-Time Director)
	Mr. Meghal Gupta (Director)
	Mr. Ashwani Kumar Jindal (Independent Director)
	Mr. Vijay Kumar Bhandari (Nominee Director)
	Ms. Aditi Kapur (Independent Director)
	Ms. Manpreet Kaur (Company Secretary)(till 01st Dec.2021)
	Ms. Shikha Kapoor (Company Secretary)(w.e.f.01st Dec.2021)
	Mr. Kuldip Bhandari (Chief Financial Officer)
	Ms. Davinder kaur (Company Secretary)(Till December 15, 2020)
	Mr. Manthan Gupta (Director's Brother)
	Mr.Aashim Sareen (Director's Son)
	Mr.Aarish Sareen (Director's Son)
	Ms.Sangeeta Sareen (Director's Wife)
	Ms.Swati Gupta (Director's Daughter in law)
	Mr.Shant Kumar Gupta (Director's Father)
	Ms.Neha Gupta (Director's Mother)
	Ms. Arushi Gupta (Director's wife)
	Ms. Rekha Jindal (Director's wife)

(b) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Particulars	Promoter and Promoter group		Entities owned or significantly influenced by Key Managerial Personnel or their relatives		Director/Key management personnel or their relatives		Total	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	<u>Transactions during the year</u>								
A	**Remuneration**								
	Late Sh. Shiv Dayal Chugh	-	11.00	-	-	-	-	-	**11.00**
	Mr.Vijay Kumar Sareen	-	-	-	-	5.43	-	**5.43**	-
	Mr. Kuldip Bhandari	-	-	-	-	5.40	3.90	**5.40**	**3.90**
	Ms. Manpreet Kaur	-	-	-	-	1.83	1.13	**1.83**	**1.13**
	Ms. Davinder Kaur	-	-	-	-	-	0.55	-	**0.55**
	Ms. Shikha Kapoor	-	-	-	-	0.88	-	**0.88**	-
B	**Professional Fees**								
	Mr. Meghal Gupta	-	-	-	-	6.78	-	**6.78**	-
	Mr. Manthan Gupta	-	-	-	-	3.30	-	**3.30**	-
C	**Rent**								
	Late Sh.Shiv Dayal Chugh	-	1.20	-	-	-	-	-	**1.20**
	Mr.Chandan Chugh	0.60						**0.60**	-
D	**Director Meeting Fees**								
	Mr. Chandan Chugh	-	0.08	-	-	-	-	-	**0.08**
	Mr. Vijay Kumar Sareen	-	-	-	-	-	0.13	-	**0.13**
	Mr. Ashwani Kumar Jindal	-	-	-	-	0.33	0.13	**0.33**	**0.13**
	Mr. Subhash Chandra Sikka	-	-	-	-	-	0.08	**0.00**	**0.08**
	Mr. Neelam Kohli	-	-	-	-	-	0.04	-	**0.04**
	Mr. Vijay Kumar Bhandari	-	-	-	-	0.25	0.06	**0.25**	**0.06**
	Ms. Aditi Kapur	-	-	-	-	0.24	-	**0.24**	-
E	**Interest on Deposits/NCD's taken**								
	Late Sh.Shiv Dayal Chugh	-	7.76	-	-	-	-	-	**7.76**
	Seth Ram chand HUF	-	-	-	7.17	-	-	-	**7.17**
	Mr.Vijay Kumar Sareen					1.62	-	**1.62**	-
	Mr.Aashim Sareen	-	-	-	-	2.46	-	**2.46**	-
	Mr.Aarish Sareen	-	-	-	-	0.40	-	**0.40**	-
	Ms.Sangeeta Sareen	-	-	-	-	1.94	-	**1.94**	-
	Ms.Swati Gupta	-	-	-	-	1.56	-	**1.56**	-
	Mr. Meghal Gupta	-	-	-	-	1.01	-	**1.01**	-
	Mr.Manthan Gupta	-	-	-	-	0.61	-	**0.61**	-
	Mr.Shant Kumar Gupta	-	-	-	-	5.37	-	**5.37**	-
	Ms.Neha Gupta	-	-	-	-	2.52	-	**2.52**	-
	Shant kumar Gupta (HUF)	-	-	-	-	6.82	-	**6.82**	-
	Ms. Arushi Gupta	-	-	-	-	0.02	-	**0.02**	-
	Mr. Ashwani Kumar Jindal	-	-	-	-	1.74	-	**1.74**	-
	Ms. Rekha Jindal			-	-	3.90	-	**3.90**	-
F	**Shares Issued**								
	Late Sh.Shiv Dayal Chugh	-	64.00	-	-	-	-	-	**64.00**
	Manthan Gupta	-	-	-	-	14.80	-	**14.80**	-

G	**Deposits Taken**								
	Mr. Vijay Kumar Sareen	-	-	-	-	21.00	-	**21.00**	**-**
	Mr. Aashim Sareen	-	-	-	-	40.00	-	**40.00**	**-**
	Ms. Sangeeta Sareen	-	-	-	-	10.00	-	**10.00**	**-**
	Ms. Swati Gupta	-	-	-	-	10.00	-	**10.00**	**-**
H	**Debentures Issued**								
	Mr. Aashim Sareen	-	-	-	-	5.53	-	**5.53**	**-**
	Ms. Sangeeta Sareen	-	-	-	-	5.53	-	**5.53**	**-**
	Ms. Swati Gupta	-	-	-	-	5.53	-	**5.53**	**-**
	Mr. Vijay Kumar Sareen	-	-	-	-	5.53	-	**5.53**	**-**
I	**Subordinated Debts Issued**								
	Ms. Swati Gupta	-	-	-	-	20.10	-	**20.10**	-
	Ms. Sangeeta Sareen	-	-	-	-	8.00	-	**8.00**	-
	Mr. Aashim Sareen	-	-	-	-	20.10	-	**20.10**	-
	Balance outstanding at the year end								
J	**Receivables/(Payables)**								
	Late Sh.Shiv Dayal Chugh	(0.62)	(0.62)	-	-	-	-	**(0.62)**	**(0.62)**
K	**Oustanding Deposits**								
	Late Sh.Shiv Dayal Chugh	61.15	61.15	-	-	-	-	**61.15**	**61.15**
	Seth Ram chand HUF	-	-	20.39	20.39	-	-	**20.39**	**20.39**
	Mr. Vijay Kumar Sareen	-	-	-	-	21.58	-	**21.58**	**-**
	Mr. Aashim Sareen	-	-	-	-	41.12	-	**41.12**	-
	Ms. Sangeeta Sareen	-	-	-	-	10.00	-	**10.00**	-
	Ms. Swati Gupta	-	-	-	-	10.49	-	**10.49**	-
L	**Outstanding Debentures**								
	Mr. Aashim Sareen	-	-	-	-	5.53	-	**5.53**	-
	Ms. Sangeeta Sareen	-	-	-	-	5.53	-	**5.53**	-
	Ms. Swati Gupta	-	-	-	-	5.53	-	**5.53**	-
	Mr. Vijay Kumar Sareen	-	-	-	-	5.53	-	**5.53**	-
M	**Oustanding Subordinated Debts**								
	Ms. Swati Gupta	-	-	-	-	22.43	-	**22.43**	-
	Ms. Sangeeta Sareen	-	-	-	-	8.00	-	**8.00**	-
	Mr. Aashim Sareen	-	-	-	-	22.43	-	**22.43**	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the period ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts in Rupees in lacs, unless otherwise stated)

35 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

36 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value measurement hierarchy of assets and liabilities

(a) **Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022:**

			Fair value measurement using		
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Financial assets measured at fair value through OCI:	31-Mar-22				
Investments		**31.00**	31.00	-	-

(b) **Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021:**

			Fair value measurement using		
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			(Level 1)	**(Level 2)**	**(Level 3)**
Financial assets measured at fair value through OCI:	31-Mar-21				
Investments		**25.79**	25.79	-	-

The carrying amount of cash and cash equivalents, loans, deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

(All amounts in Rupees in lacs, unless otherwise stated)

(c) **Categories of Financial Instruments**

Financial Assets

Financial Assets measured at Amortised Costs

	As at 31st March 2022		As at 31st March 2021	
Particulars	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Cash and Cash Equivalents	869.39	869.39	217.34	217.34
Loans	4,654.06	4654.06	2638.66	2638.66
Investments	,24.08	24.08	19.08	19.08
Other Financial Assets	294.00	294.00	117.68	117.68
Total Financial Assets measured at amortised costs - (i)	**5841.53**	**5841.53**	**2992.76**	**2992.76**

Financial Assets measured at FVTOCI

	As at 31st March 2022		As at 31st March 2021	
Particulars	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Investments - Equity Instruments	31.00	31.00	25.79	25.79
Total Financial Assets measured at FVTOCI - (ii)	**31.00**	**31.00**	**25.79**	**25.79**
Total Financial Assets (i)+(ii)	**5872.53**	**5872.53**	**3018.55**	**3018.55**

Financial Liabilities

Financial Liabilities measured at amortised costs

	As at 31st March 2022		As at 31st March 2021	
Particulars	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Payables				
(I) Trade Payables	31.97	31.97	18.00	18.00
(II) Other Payables	44.23	44.23	27.79	27.79
Debt Securities	1380.74	1380.74	1008.67	1008.67
Borrowings (Other than Debt Securities)	1990.23	1990.23	961.37	961.37
Subordinated Liabilites	581.13	581.13	-	-
Deposits	863.67	863.67	535.00	535.00
Lease Liabilities	115.90	115.90	98.49	98.49
Other financial liabilities	8.86	8.86	3.61	3.61
Total Financial Liabilities	**5016.72**	**5016.73**	**2652.93**	**2652.93**

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities
For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers
The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Investment in government securities at amortised cost
The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings
The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from marketobservable data such as secondary prices for its traded debt.

Deposits
The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

37 Financial risk management objectives and policies

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the NBFC's long-term debt obligations with floating interest rates. The Company does not have any borrowings with floating rate.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not involved in foreign currency exposure.

(B) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which itis exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

(All amounts in Rupees in lacs, unless otherwise stated)

Impairment assessment

The Company's impairment assessment and measurement approach for all the loan portforlio except Direct Assignment is mentioned below. The Direct Assignment, being secured and new transaction during the year and there are no past trends, industry benchmarking for Group Loans has been applied for the same.

Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.
As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

PD estimation process

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.
To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.
For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.
In certain cases, the Company may also consider that events explained in "Definition of default" are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.
When estimating ECLs on a collective basis for a Company of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate.

Credit risk exposure analysis

Particulars	Stage 1	Stage 2	Stage 3	Total
Credit risk exposure (Other than direct assignment)	25.86	6.01	16.41	48.29
Credit risk exposure (direct assignment)	0.00	-	-	0.00
	25.86	**6.01**	**16.41**	**48.29**

(C) **Liquidity risk**

Liquidity risk is the risk that the NBFC will not be able to meet its financial obligations as they become due. The NBFC manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the NBFC's financial liabilities:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
March 31, 2022					
Trade payables	30.25	1.71	-	-	31.97
Other payables	44.23	-	-	-	44.23
Debt Securities	-	148.86	110.69	1121.19	1380.74
Borrowing (Other than Debt Securities)	208.02	889.18	892.83	-	1,990.03
Lease Liabilities (Based on Undiscounted Value)	5.15	16.13	86.11	61.40	168.79
Subordinated Debentures	-	-	-	581.13	,581.13
Deposits	80.00	702.67	81.00	-	863.67
Other Financial Liabilities	4.95	0.15	3.76	-	8.86
	372.61	**1758.70**	**1174.40**	**1763.72**	**5,069.42**
March 31, 2021					
Trade payables	18.00	-	-	-	18.00
Other payables	27.79	-	-	-	27.79
Debt Securities	-	-	116.97	891.70	1008.67
Borrowing (Other than Debt Securities)	174.59	362.65	424.13	-	,961.37
Lease Liabilities (Based on Undiscounted Value)	4.51	13.21	79.73	47.50	144.95
Deposits	335.00	-	200.00	-	535.00
Other Financial Liabilities	1.46	-	2.14	-	3.61
	561.36	**375.86**	**822.98**	**939.20**	**2,699.39**

38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, borrowings and all other equity reserves attributable to the equity holders.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 43.2 for the Company's Capital ratios.
The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards".
The NBFC has not distributed any dividend to its shareholders. The NBFC monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding NBFC of the NBFC. The NBFC manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

39 Contingent liabilities and Commitments (to the extent not provided for)

a. Contingent Liability: The Company does not have any pending litigations against the company which would impact its financial position. However, Company has filed certain cases for recovery of certain amounts, as mentioned in Note 47.

b. Commitment: The Company has sanctioned loans which are still to be disbursed amounting to Rs. NIL as on March 31, 2022 (As on March 31, 2021: 26.70 INR Lacs).

(All amounts in Rupees in lacs, unless otherwise stated)

40 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

41 As per section 124(5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to Investor Education and Protection Fund. The Company has transferred the amount of INR 1,890 to such fund on May 27, 2021.

42 Asset Liability Management (ALM)

Maturity pattern of assets and liabilities as on March 31, 2022

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Overdue amount	Not sensitive to ALM*	Total
Financial assets											
Cash and Cash Equivalent	70.13	-	799.26	-	-	-	-	-	-	-	**869.39**
Loans	163.81	201.86	202.93	600.13	945.51	2,353.52	-	-	234.61	(48.29)	**4,654.06**
Investments	-	-	-	-	31.00	5.00	-	19.08	-	-	**55.08**
Other Financial Assets	-	5.94	-	4.40	274.36	5.94	-	3.35	-	-	**294.00**
Total	**233.94**	**207.80**	**1002.19**	**604.53**	**1250.87**	**2,364.46**	**0.00**	**22.43**	**234.61**	**(48.29)**	**5,872.53**
Financial liabilities											
Payables	-	44.23	-	-	-	-	-	-	-	-	**44.23**
Trade Payables	-	31.97	-	-	-	-	-	-	-	-	**31.97**
Debt Securities	-	-	-	-	148.86	79.07	31.63	1121.19	-	-	**1380.74**
Borrowings (Other than Debt Securities)	57.72	74.70	75.60	407.50	481.68	886.15	6.68	-	-	-	**1,990.03**
Lease Liabilities (Based on Undiscounted Value)	1.39	1.98	1.79	5.36	10.77	43.06	43.06	61.40	-	-	**168.79**
Subordinated Liabilites	-	-	-	-	-	-	-	581.13	-	-	**,581.13**
Deposits	-	-	80.00	-	702.67	81.00	-	-	-	-	**863.67**
Other financial liabilities	4.95	-	-	-	0.15	3.76	-	-	-	-	**8.86**
Total	**64.05**	**152.88**	**157.38**	**412.85**	**1344.13**	**1093.03**	**81.37**	**1763.72**	**-**	**-**	**5,069.43**

*represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on March 31, 2021

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Overdue amount	Not sensitive to ALM*	Total
Financial assets											
Cash and Cash Equivalent	136.74	-	80.60	-	-	-	-	-	-	-	**217.34**
Loans	6.41	14.38	15.28	73.01	222.67	2,142.32	-	-	243.80	(79.20)	**2,638.66**
Investments	-	-	-	-	25.80	9.22	-	9.85	-	-	**44.87**
Other Financial Assets	-	-	-	-	92.09	25.59	-	-	-	-	**117.68**
Total	**143.15**	**14.38**	**95.88**	**73.01**	**340.56**	**2,177.13**	**0.00**	**9.85**	**243.80**	**(79.20)**	**3,018.55**
Financial liabilities											
Payables	-	27.79	-	-	-	-	-	-	-	-	**27.79**
Trade Payables	-	18.00	-	-	-	-	-	-	-	-	**18.00**
Debt Securities	-	-	-	-	9.99	113.74	0.00	882.28	-	-	**1006.02**
Borrowings (Other than Debt Securities)	94.88	39.64	40.08	117.92	244.72	424.13	-	-	-	-	**,961.37**
Lease Liabilities (Based on Undiscounted Value)	1.57	1.37	1.57	4.32	8.89	37.75	41.98	47.50	-	-	**144.95**
Deposits	-	-	-	-	335.00	200.00	-	-	-	-	**535.00**
Other financial liabilities	1.27	0.19	-	-	-	2.14	-	-	-	-	**3.61**
Total	**97.72**	**87.00**	**41.65**	**122.24**	**588.61**	**664.03**	**41.98**	**47.50**	**-**	**-**	**1,690.74**

*represents adjustments on account of EIR/ECL

(All amounts in Rupees in lacs, unless otherwise stated)

43 Additional disclosures required by the Reserve Bank of India (RBI)
The additional disclosures required by RBI are prepared under Indian Accounting Standards (Ind AS) issued by MCA unless otherwise stated.

43.1 Ratings assigned by credit rating agencies and migration of ratings during the year

Instruments	Credit rating agency	As on March 31, 2022	As on March 31, 2021
Bank Loan Long-term	NA	-	-
Bank Loan Short-term	NA	-	-
Debentures	NA	-	-
Deposits	NA	-	-

In terms of NBFC Directions on Acceptance of Public Deposits it was mandatory for an NBFC to obtain minimum investment grade credit rating for fixed deposits for acceptance of public deposits and the quantum of public deposit was linked to the level of credit rating from an approved agency for this purpose, with an objective to enable the depositor to make an informed decision. But since the Company has not reached the minimum investment grade credit rating, there are no Ratings assigned by credit rating agencies and migration of ratings during the year

43.2 Capital adequacy ratio

	As on March 31, 2022	As on March 31, 2021
Tier I Capital	1051.11	482.51
Tier II Capital	621.51	48.70
Total Capital	1672.61	531.21
Total Risk Weighted Assets	5,171.22	3,112.82
CRAR (Tier I Capital+Tier II Capital)/ Total Risk Weighted Assets (%)	32.34%	17.07%
CRAR - Tier I capital (Tier I Capital/ Total Risk Weighted Assets)%	20.33%	15.50%
CRAR - Tier II capital (Tier II Capital/ Total Risk Weighted Assets)%	12.02%	1.56%

Capital adequacy ratio is calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019- 20 “Implementation of Indian Accounting Standards” issued by RBI on March 13, 2020

“Tier I capital”, “Tier II capital”, “Owned fund” are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 “Implementation of Indian Accounting Standards” issued by RBI on March 13, 2020.

43.3 The Company has not entered any Forward rate/ Interest rate swap agreement during the year.

43.4 Securitization/ Assignment during the year:

a. There are no SPVs sponsored by the Company.

b. The Company has not sold any Financial Assets to Securitization/ Reconstruction Company for Asset Reconstruction during the current year as well as previous year.
c. The Company has entered into assignment transaction in which it has transferred the assets to the buyer, during the current year. As per the terms of this deals, since substantial risk and rewards related to these assets were transferred to the extent of 94% of the assets transferred by the Company. The table below summarises the carrying amount of the recognised financial assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Particulars		
(i) No. of accounts	5	-
(ii) Aggregate value (net of provisions) of accounts assigned	201.44	-
(iii) Aggregate consideration	189.35	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years		-
(v) Aggregate gain / loss over net book value		-

d. During the year, the Company has purchased loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 81% of the assets transferred to the Company, the assets have been recognised in the Company’s Balance Sheet. The table below summarises the carrying amount of the recognised financial assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of purchased assets measured at amortised cost	581.74	1049.65

d. The company has neither purchased nor sold any non-performing financial assets from/ to any NBFC during the current year as well as previous year.

43.5 Investments

Investments disclosure has been disclosed in Note No. 5

(All amounts in Rupees in lacs, unless otherwise stated)

43.6 Exposure to real estate sector

a. Exposure to Real Estate Sector

Category	As at March 31, 2022	As at March 31, 2021
(a) Direct exposure		
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	902.37	242.43
(ii) Commercial real estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	66.68	15.48
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
A Residential,	-	-
B Commercial Real Estate.	-	-
Total Exposure to Real Estate Sector	**969.05**	**257.91**

43.7 Exposure to capital market

Particulars	At at March 31, 2022	At at March 31, 2021
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	31.00	25.79
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-
viii. all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**31.00**	**25.79**

43.8 Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable

43.9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit

43.10 Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

43.11 Provisions and Contingencies

a. Summary of movement in provisions:

Particulars	As at March 31, 2021	Provision made during the Year	Provision Reversed	As at March 31, 2022
Gratuity	-	-	-	-
Leave Encashment	-	1.11	-	1.11
Provision of Depreciation on investments	-	-	-	-
Provision for income tax	-	-	-	-
Provisions against standard assets	49.94	-	18.06	31.88
Provisions against sub standard assets	18.42	-	6.50	11.92
Provisions against doubtful assets	10.84	-	6.35	4.49

(All amounts in Rupees in lacs, unless otherwise stated)

b. Break up of loans and advances and provision thereon

Particulars	At at March 31, 2022	At at March 31, 2021
Standard Assets		
Total outstanding amount	4,468.22	2482.74
Provision made	31.87	49.94
Sub - Standard Assets		
Total outstanding amount	182.73	153.50
Provision made	11.92	18.42
Doubtful Assets		
Total outstanding amount	51.88	90.30
Provision made	4.50	10.84
Total outstanding amount	**4,702.83**	**2,726.55**
Provision made	**48.28**	**79.21**

c. Draw Down from Reserves

The Company has not drawn any amount from Statutory Reserve Fund under Section 45-IC of The RBI Act, 1934 maintained during the current year. For previous year, refer Note 20(b)

d. Concentration of Public Deposits, Advances, Exposures and NPAs

i. Concentration of Deposits (for deposit taking NBFCs)

Particulars	At at March 31, 2022	At at March 31, 2021
Total deposits of twenty largest depositors	863.67	530.36
Percentage of loans and advances to twenty largest depositors to total deposits of the NBFC	100.00%	99.13%

ii. Concentration of loans and advances -

Particulars	At at March 31, 2022	At at March 31, 2021
Total loans and advances to twenty largest borrowers	1,396.78	1,419.91
Percentage of loans and advances to twenty largest borrowers to total Advances of the NBFC	30.01%	53.81%

iii. **Concentration of all exposure** (including off-balance sheet exposure)

Particulars	At at March 31, 2022	At at March 31, 2021
Total loans and advances to twenty largest borrowers	1,396.78	1,446.61
Percentage of loans and advances to twenty largest borrowers to total Advances of the HFC	30.01%	54.82%

iv. Concentration of NPAs

Particulars	At at March 31, 2022	At at March 31, 2021
Total exposure to top ten NPA accounts	42.03	34.09

v. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	At at March 31, 2022	At at March 31, 2021
1 Individuals	5.48%	9.82%
2 Corporates	-	-
3 Others	-	-

(All amounts in Rupees in lacs, unless otherwise stated)

vi. Movement of NPAs

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(I)	**Net NPAs to Net Advances (%)**	4.69%	8.10%
(II)	**Movement of NPAs (Gross)**		
a)	Opening balance	243.80	167.04
b)	Additions during the year	95.13	149.32
c)	Reductions during the year	104.32	72.56
d)	Closing balance	**234.61**	**243.80**
(III)	**Movement of NPAs (Net)**		
a)	Opening balance	214.54	141.70
b)	Additions during the year	87.81	131.39
c)	Reductions during the year	84.15	58.55
d)	Closing balance	**218.20**	**214.54**
(IV)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
a)	Opening balance	29.26	25.34
b)	Additions during the year	7.32	17.93
c)	Reductions during the year	20.17	14.01
d)	Closing balance	**16.41**	**29.26**

43.12 Overseas Assets

The Company does not have overseas assets during March 31, 2022 and March 31, 2021

43.13

The Company do not have any Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) as at March 31, 2022 and March 31, 2021.

43.14 Disclosure of customer complaints

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) No of complaints pending at the beginning of the year	-	-
b) No of complaints received during the year	-	-
c) No of complaints redressed during the year	-	-
d) No of complaints pending at the end of the year	-	-
	-	-

43.15 Information on instances of fraud

The company has not reported any frauds during the year and in the previous year, based on management reporting to risk committee and to the RBI through prescribed returns.

43.16 Disclosure of Penalties imposed by RBI and other regulator

No penalties have been levied by any regulator on the Company for the year ended March 31, 2022.

43.17 Remuneration of Directors

Remuneration of Directors has been disclosed in Note No. 34.

43.18 Registration obtained from financial sector regulators

a. From RBI – vide registration number - 06.00124
b. From Ministry of Corporate Affairs – L65110PB1992PLC012488
c. From Metropolitian Stock Exchange - INE405N01016
The company has not obtained registration from any other financial sector regulator.

43.19 The Company has not entered into derivatives for risk management purposes. Hence, disclosures on "Risk Exposure in Derivatives" and "Exchange Traded Interest Rate Derivatives" are not applicable.

(All amounts in Rupees in lacs, unless otherwise stated)

44 Liquidity Coverage Ratio disclosure

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio (LCR)"

Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2022

	Particulars	March 31, 2022		December 31, 2021	
		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
	High Quality Liquid Assets				
a)	Total High Quality Liquid Assets (HQLA)*	893.47	893.47	721.58	721.58
	Cash Outflows				
a)	Deposits (for deposit taking companies)	-	-	-	-
b)	Unsecured wholesale funding	-	-	-	-
c)	Secured wholesale funding	-	-	-	-
d)	Additional requirements, of which	-	-	-	-
i.	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
ii.	Outflows related to loss of funding on debt products	-	-	-	-
iii.	Credit and liquidity facilities	-	-	-	-
f)	Other contractual funding obligations	672.40	773.26	256.65	295.15
g)	Other contingent funding obligations	-	-	-	-
	Total Cash Outflows	**672.40**	**773.26**	**256.65**	**295.15**
	Cash Inflows				
a)	Secured lending	222.81	167.11	184.96	138.72
b)	Inflows from fully performing exposures	-	-	-	-
c)	Other cash inflows	-	-	-	-
	Total Cash Inflows	**222.81**	**167.11**	**184.96**	**138.72**
	TOTAL HQLA		893.47		721.58
	Total Net Cash outflows		606.15		156.42
	Liquidity Coverage Ratio (Total HQLA/ Total Net Cash Outflows)		147%		461%

	Particulars	September 30 ,2021		June 30,2021	
		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
	High Quality Liquid Assets				
a)	Total High Quality Liquid Assets (HQLA)**	1112.25	1112.25	316.56	316.56
	Cash Outflows				
a)	Deposits (for deposit taking companies)	-	-	-	-
b)	Unsecured wholesale funding	-	-	-	-
c)	Secured wholesale funding	-	-	-	-
d)	Additional requirements, of which	-	-	-	-
i.	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
ii.	Outflows related to loss of funding on debt products	-	-	-	-
iii.	Credit and liquidity facilities	-	-	-	-
f)	Other contractual funding obligations	401.00	461.15	357.26	410.85
g)	Other contingent funding obligations	-	-	-	-
	Total Cash Outflows	**401.00**	**461.15**	**357.26**	**410.85**
	Cash Inflows				
a)	Secured lending	207.49	155.62	211.21	158.41
b)	Inflows from fully performing exposures	-	-	-	-
c)	Other cash inflows	-	-	-	-
	Total Cash Inflows	**207.49**	**155.62**	**211.21**	**158.41**
	TOTAL HQLA		1112.25		316.56
	Total Net Cash outflows		305.53		252.44
	Liquidity Coverage Ratio (Total HQLA/ Total Net Cash Outflows)		364%		125%

*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

****Components of HQLA**

	March 31, 2022	December 31, 2021
Cash & Cash Equivalent	869.39	702.51
Government securities	24.08	19.08
Total High Quality Liquid Assets (HQLA)	**893.47**	**721.58**

	September 30 ,2021	June 30,2021
Cash & Cash Equivalent	1112.25	316.56
Government securities	19.08	19.08

Total High Quality Liquid Assets (HQLA)	**1131.33**	**335.63**

Qualitative disclosure around Liquidity Coverage Ratio (LCR):

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively. Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator.

The Company, during the quarter ended March 31, 2022, had maintained average HQLA (after haircut) of Rs. 893.47 lacs against Rs.721.58 lacs for the quarter ended December 31, 2021, Rs.1112.25 lacs for the quater ended September 2021 and Rs.316.56 lacs for the quarter ended June 30,2021. HQLA primarily includes cash on hand, bank balances in current account and demand deposits with Scheduled Commercial Banks and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2022 was 147% which is above the regulatory requirement of 50%. For the quarter ended December 31, 2021, September 30, 2021 and June 30, 2021 average LCR stood at 461%, 364% and 125% respectively.

45 Liquidity risk

Disclosure on Liquidity risk for the quarter ended March 31, 2021 pursuant to RBI circular dated November 04, 2019 on Liquidity risk management framework for Non-Banking Financial Companies and Core Investment Companies

i. Funding concentration based on significant counterparty (both deposits and borrowings)

Number of significant counterparties	Amount	% of Total deposits	% of Total liabilities
12	**2591.90**	**300%**	**51%**

ii. Top 20 large deposits

Particulars	As at March 31, 2022
Total amount of top 20 large deposits	863.67
Percentage of amount of top 20 large deposits to total deposits	100.00%

iii. Top 10 borrowings

Particulars	As at March 31, 2022
Total amount of top 10 borrowings	1,810.96
Percentage of amount of top 10 borrowings to total borrowings	100.00%

iv. Funding concentration based on significant instrument/product

Particulars	Amount	% of Total liabilities
Redeemable non-convertible debentures (unsecured)	1380.74	27%
Term loan from corporates	1,810.96	36%
Loans repayable on demand from banks (Cash credit from banks)	179.27	4%
Deposits from corporates and related parties	863.67	17%
Public deposits	-	0%

(All amounts in Rupees in lacs, unless otherwise stated)

46 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as perRBI Norms:

		For the year ended March 31, 2022					For the year ended March 31, 2021				
Asset Classification as per RBI Norms	**Asset Classification as per Ind AS 109**	**Gross Carrying Amount as per Ind AS**	**Loss Allowance (Provisions) as require under Ind AS**	**Net Carrying Amount**	**Provisions required as per IRACP norms**	**Difference between Ind AS 109 provisions and IRACP norms**	**Gross Carrying Amount as per Ind AS**	**Loss Allowance (Provisions) as require under Ind AS***	**Net Carrying Amount**	**Provisions required as per IRACP norms**	**Difference between Ind AS 109 provisions and IRACP norms**
Performing assets											
Standard	Stage 1	4046.36	25.86	4,020.50	17.12	8.74	2304.59	41.77	2262.82	9.27	32.50
	Stage 2	421.86	6.01	415.85	1.15	4.86	178.15	8.17	169.98	0.82	7.35
Subtotal		**4468.22**	**31.87**	**4436.35**	**18.26**	**13.61**	**2482.74**	**49.94**	**2432.80**	**10.09**	**39.85**
Non-Performing Assets (NPA)											
Substandard	Stage 3	182.73	11.92	170.81	16.08	(4.17)	153.50	18.42	135.08	24.67	(6.25)
Doubtful - up to 1 year	Stage 3	49.40	2.53	46.87	7.24	(4.71)	38.05	4.57	33.48	19.94	(15.37)
1 to 3 years	Stage 3	2.47	1.96	0.51	5.74	(3.79)	40.68	4.88	35.80	15.58	(10.70)
More than 3 years	Stage 3	-	-	-	-	-	11.57	1.39	10.18	7.01	(5.62)
Subtotal for doubtful		**51.88**	**4.50**	**47.38**	**12.98**	**(8.49)**	**90.30**	**10.84**	**79.46**	**42.53**	**(31.69)**
Loss	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for NPA		**234.61**	**16.41**	**218.20**	**29.07**	**(12.66)**	**243.80**	**29.26**	**214.54**	**67.20**	**(37.94)**
Total*	Stage 1	**4046.36**	**25.86**	**4,020.50**	**17.12**	**8.74**	**2304.59**	**41.77**	**2262.82**	**9.27**	**32.50**
	Stage 2	**421.86**	**6.01**	**415.85**	**1.15**	**4.86**	**178.15**	**8.17**	**169.98**	**0.82**	**7.35**
	Stage 3	**234.61**	**16.41**	**218.20**	**29.07**	**(12.66)**	**243.80**	**29.26**	**214.54**	**67.20**	**(37.94)**
		4702.84	**48.29**	**4,654.55**	**47.33**	**0.95**	**2,726.54**	**79.20**	**2,647.34**	**77.29**	**1.91**

* This does not include the provision made for Covid-19 as per RBI circular

47 The Company had purchased 12 Bonds of Madhya Pradesh State Electricity bonds 1999 worth Rs. 1,200,000 on January 13, 2000 whose maturity period expired on 1 January 13, 2007. During the year 2014-15, the Company received Rs. 1,626,786 which pertains to principal sum Rs. 1,200,000 and Rs. 426,786 towards interest calculated @ 7% upto March 31, 2005 and @ 8% for the subsequent period from April 1, 2005 to January 13, 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.

48 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules there under are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

49 On account of RBI Circulars, RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20, the Company has offered moratorium to many of its borrowers and is in process of sharing the addendum letters to borrowers for the revised repayment schedule and other terms, which is just procedural and no significant change is expected by the management.

50 Change in Accounting policy

During the year ended March 31, 2021; the Company has changed the accounting policy for booking of Interest income on First Loss Default Guarantee(FLDG) on accrual basis. The same was recorded on receipt basis for the year ended March 31, 2020. Due to change in accounting policy, additional interest income of INR 24.18 lacs has been accounted during the year ended March 31, 2021. The change has been done to provide accurate and relevant information about the financial performance.

Management has not disclosed the impact of same in future period since its impractical to estimate its impact for same.

51 Following are the reclassifications made in the previous year figures to make them comparable/ better presentation with the current year figures.

S.NO.	MAIN HEAD	NOTE NO.	SUB HEAD	31ST March 2021 (Signed)	31st March 2021 (After Reclassification)	Difference	Remarks
1	Loans	4	Term Loans	245.55	242.86	-2.69	Interest Accured added Rs.1.58
							Unamortised Processing Redued Rs.(3.92)
							Accured Interest FLDG Reduced Rs.(0.35)
2	Loans	4	Hypothecation Loans	1143.97	1154.49	10.52	Interest Accured added Rs.10.52
3	Loans	4	Loan against Property	157.59	153.91	-3.68	Interest Accured added Rs.1.05
							Unamortised Processing Redued Rs.(4.72)
4	Loans	4	MSME Loan	100.32	98.40	-1.92	Interest Accured added Rs.0.48
							Unamortised Processing Redued Rs.(2.40)
5	Loans	4	Direct Assignment	1049.65	1038.74	-10.91	Interest Accured added Rs.5.11
							Unamortised Processing Redued Rs.(16.02)
6	Other Financial Assets	6	FLDG	120.00	0.00	-120.00	Transfer to Loan From Corporates Rs.120.00 Note No.16
		6	Interest Accured fldg	2.76	0.00	-2.76	Transfer to Loan From Corporates Rs.2.76 Note No.16
		6	Interest Accured Term Lons	1.58	0.00	-1.58	Transfer to Loan From Corporates Rs.1.58 Note No.16
		6	Interest Accured Term Lons	10.52	0.00	-10.52	Transfer to Loans Note No.4
		6	Interest Accured Lap Loan	1.05	0.00	-1.05	Transfer to Loans Note No.4
		6	Interest Accured MSME Loan	0.48	0.00	-0.48	Transfer to Loans Note No.4
		6	Interest Accured Direct Assignmen	0.48	0.00	-0.48	Transfer to Loans Note No.4
		6	Tax and Duties	3.24	0.00	-3.24	Transfer to Other Non Financial Assets Note No. 11
		6	Other non financial Assets	0.00	7.22	7.22	Transfer from Non Financial Assets Note No. 11
		6	Other non financial Assets	5.11	0.00	-5.11	Transfer to Loans Note No.4
7	Other Non Financial Assets	11	Other non financial Assets	7.22	0.00	-7.22	Transfer to Financial Assets Note No.6
		11	Tax and Duties	0.00	3.24	3.24	Transfer from Non Financial Assets Note No.6
		11	Prepaid Expenses	8.84	0.00	-8.84	Incentive on debenture unamortised reduced
		11	Prepaid Expenses	1.93	0.00	-1.93	Trusteeship Incentive unamortised reduced
		11	Prepaid Expenses	2.80	0.00	-2.80	Term Loan Incentive unamortised reduced
8	Debt Securities	13	Debentuers	933.52	1008.67	75.15	Interest Payable added Rs.85.92
							Prepaid Expenses reduced Rs.8.84
							Prepaid Expenses reduced Rs.1.92
9	Borrowings	14	from corporated	1023.68	905.70	-117.98	FLDG reduced Rs.120.00
							Interest Accured Reduced Rs.2.76
							Interest Payable added Rs.7.60
							Prepaid Expenses reduced Rs 2.80

10	Deposits	16	From Corporates	450.00	454.64	4.64	Interest Payable added Rs.4.64
11	Other Finanical Liabilties	18	Accured Interest	100.31	1.79	-98.52	Interest Payable debenture Reduced Rs.85.92 Interest Payable borrowings Reduced Rs.7.60 Interest Payable deposits Reduced Rs.4.64 Interest Payable deposits Reduced Rs.0.34
12	Other non-financial Liabilitie	19	Statutory Due	0.00	9.68	9.68	Transfer from Other Payable Note 12
13	Other Reserves	22	Share Options (Forefeited)	0.00	0.38	0.38	Transfer to General Reserve
		22	General Reserve	29.00	29.38	0.38	Transfer from Share Options (Forefeited)
14	Interest Income	23	Interest Income	343.51	336.91	-6.60	Sales Incentive Expenses Reduced Rs.6.60
15	Finance Cost	25	Bank Charges	5.40	4.62	-0.78	Amount Trf.to Misc. Expenditure
16	Other Expenses	29	Incentive expenses	6.97	0.37	-6.60	Sales Incentive reduced
17	Other Expenses	29	Misc.Expenditure	3.19	3.97	0.78	Amount trf.from Bank Charges

52 Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company will comply with the Circular from October 01, 2022 as per the extension provided by RBI vide notification dated February 15, 2022.

53 Additional Regulatory Information

(a) The company does not have any subsidiary/ associate / joint venture. Hence, the compliance related to the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable on the Company.

(b) The Company has not applied for any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

(c) The Company has not traded or invested in crypto currency or virtual currency during the year.

54 Utilisation of borrowed funds and share premium

The company has not given any loan or invested funds to any persons, entities (intermediaries) with the understanding that inttermidiary shall :
'a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company.
b) provide any guarantee, security or the like to or on behalf of the Company.

The Company has not received any fund from any person, entities (Funding Party) with the understanding that the Company shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party.
b) provide any guarantee, security or the like on behalf of the Funding Party.

55 Derecognition of financial assets

During the year ended 31 March 2022, the Company has sold 94% of a portion of its term loans through direct assignments, measured at amortised cost, to maintain reasonable leverage. As per regulatory requirement, the Company continues to hold balance 6% of those loans as Minimum Retention Requirement (MRR). The Company transferred substantially all the risks and rewards relating to assets to the buyer and accordingly, sold portion of loans was derecognised.

The following table below sets forth, for the periods indicated, the summary of carrying amounts of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Carrying amount of derecognised financial assets	4.93	-
Gain on derecognition of financial assets	-	-

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety therefore the whole of the interest spread at its present value (discounted over the expected life of the asset) is recognised on the date of derecognition as interest-only strip receivable with a corresponding credit to the statement of profit and loss.

For GSA & Associates LLP
Chartered Accountants
Firm Registration No.: 000257N/N500339

For and on behalf of the Board of Directors of
PHF Leasing Limited
CIN: L65110PB1992PLC012488

Tanuj Chugh
Partner
Membership No: 529619

Place: New Delhi
Date: May 26, 2022

Vijay Kumar Sareen
Whole-Time Director
DIN: 07978240

Place: Jalandhar
Date: May 26, 2022

Meghal Gupta
Director
DIN: 09179500

Place: Jalandhar
Date: May 26, 2022

Kuldip Bhandari
Chief Finance officer

Place: Jalandhar
Date: May 26, 2022

Shikha Kapoor
Company Secretary
Membership No: A19146
Place: Jalandhar
Date: May 26, 2022

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 30TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PHF LEASING LIMITED (THE COMPANY) WILL BE HELD ON FRIDAY, THE 23rd DAY OF SEPTEMBER, 2022 AT 11:30 A.M. THROUGH VIDEO CONFERENCING ('VC')/ OTHER AUDIO VISUAL MEANS ('OAVM') FACILITY TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2022 and the reports of the Board of Directors and the Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statements of the company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. Appointment of Mr. Vijay Kumar Bhandari (DIN: 00052716) as a Director, liable to retire by rotation

To appoint a Director in place of Mr. Vijay Kumar Bhandari (DIN: 00052716) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offered himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Vijay Kumar Bhandari (DIN: 00052716), who retires by rotation at this meeting and being eligible, offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. Ratification of appointment of Statutory Auditors for the Financial year 2022-23

To ratify the appointment of Statutory Auditors for the Financial year 2022-23 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India (RBI) vide No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27 April, 2021 ("RBI Guidelines") and pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s GSA & Associates LLP, Chartered Accountants (FRN: 000257N/ N500339), be and is hereby ratified as Statutory Auditors of the company for the Financial Year 2022-2023 till the conclusion of 31st Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Statutory Auditors."

SPECIAL BUSINESS

4. To appoint Mr. Yaduvendra Mathur (DIN: 00307650) as a Non-Executive Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), RBI guidelines (to the extent applicable) and applicable provisions of Articles of Association of the Company, Mr. Yaduvendra Mathur (DIN: 00307650) who was appointed as an Additional Director (Non-Executive) in the capacity of an Independent Director of the Company with effect from August 12, 2022 and who holds office only upto this Annual General Meeting in terms of section 161 of the Act, and who has submitted a declaration that he meets the criteria for independence as provided under the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Independent Director and in accordance with the recommendation of the Nomination & Remuneration Committee and the Board of Directors, be and is hereby appointed as an Independent Director of the Company to hold office for a first term of 5 (five) consecutive years i.e. upto August 11, 2027, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors ("the Board", which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution."

5. To revise the remuneration payable to Mr. Vijay Kumar Sareen (DIN: 07978240), Whole-time Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in furtherance to the resolution passed at the 29th Annual General Meeting (AGM) of the Company held on 23rd day of September, 2021 for appointment of Mr. Vijay Kumar Sareen as Whole-time Director and for remuneration payable to him and pursuant to the provisions of Sections 197, 198 read with Schedule V and applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company, RBI guidelines/ circulars/ directions/ regulations (to the extent applicable), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the company be and is hereby accorded to revise the remuneration payable to Mr. Vijay Kumar Sareen, Whole-time Director of the Company with effect from 1st April, 2022 for the period of 3 years in the following manner:-

(1) Revision of Fixed Pay from Rs. 50,000/- (Rupees Fifty Thousand Only) per month to Rs. 80,000/- (Rupees Eighty Thousand Only) per month for a period of 1 (one) year with an increment of upto 20% in fixed pay in each subsequent year;
(2) Variable pay as may be decided by the Board from time to time in compliance to Nomination and Remuneration Policy;
(3) Reimbursement of expenses incurred by him on account of the business of the Company in accordance of the Company's policy.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year during the tenure of services of Mr. Vijay Kumar Sareen, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors ("the Board", which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorized by the Board or its committee for such purpose) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution."

By orders of the Board
For PHF LEASING LIMITED

Date: August 12, 2022
Place: Jalandhar

Sd/-
Shikha Kapoor
Company Secretary
Membership No: A19146

NOTES:

1. Considering the ongoing Covid-19 pandemic and pursuant to the General Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated 05th May, 2022 issued by Ministry of Corporate Affairs (collectively referred to as "MCA Circulars"), the Companies are permitted to hold the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the 30th AGM of the Company is being held through VC/OAVM on Friday, September 23, 2022 at 11:30 a.m. IST. The deemed venue for the AGM will be the Registered Office of the Company.

2. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), setting out the material facts concerning ordinary business in respect of Item No.3 and special businesses in respect of Item No. 4 and 5 as set out above is annexed hereto.

3. Details pursuant to Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India and pursuant to provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors retiring by rotation / seeking appointment at this meeting are provided in the "Annexure" to the Notice.

4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.

5. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed with this Notice.

6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend this 30th AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be e-mailed to the scrutinizer at e-mail id csharshitaaggarwal@gmail.com.

7. The Company's Registrar and Transfer Agent for its Share Registry work (physical and electronic) is Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi – 110020, India.

8. Participation of members through VC/ OAVM facility will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

Procedure for Inspection of Documents:

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 23, 2022. Members seeking to inspect such documents can send an email to shikha@phfleasing.com.

10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, September 16, 2022 by sending e-mail on shikha@phfleasing.com. The same will be replied by the Company suitably.

Dispatch of Annual Report through Electronic Mode:

11. In compliance with the MCA Circulars and SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2021-22 will also be available

on the Company's website www.phfleasing.com and on the website of Company's Registrar and Transfer Agent, Skyline Financial Services at www.skylinerta.com. The Notice can also be accessed from the website of the stock exchange, Metropolitan Stock Exchange of India (MSEI) at www.msei.in and on the website of the NSDL (agency for providing the Remote e-Voting facility) i.e. www.evotingnsdl.com.

12. For receiving all communication (including Annual Report) from the Company electronically:

a) Members holding shares in physical mode are requested to register their email addresses with the Company by writing to Ms. Shikha Kapoor, Company Secretary at her email id shikha@phfleasing.com or to Registrar & Share Transfer Agent, M/s Skyline Financial Services Private Limited at its e-mail id admin@skylinerta.com by quoting your Folio No., PAN, Mobile No., Email-Id along with a self-attested copy of your PAN Card / Aadhar Card and Share Certificate (front and back).

b) Members holding shares in dematerialized mode, are requested to register their email addresses with their relevant depositories through their depository participants. However, for temporary registration for the purpose of obtaining this notice, shareholders may register their email ids with the Company by writing to Ms. Shikha Kapoor, Company Secretary of the Company, at her email-id shikha@phfleasing.com.

13. The notice is being sent to all the members of the Company, whose names appear in the register of members/ record(s) of depositories as on Friday, August 26, 2022. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

IEPF Related Information:

14. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred by the Company to the demat account of IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website http://www.iepf.gov.in/.

Due date for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2014-15 and thereafter, are as under:

Financial Year	Declaration Date	Due Date
2014-2015	September 16, 2015	October 22, 2022

Procedure for 'remote e-voting' and e-voting at the AGM

15. A. E-Voting Facility:

(i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing to its members, facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting''). For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting : September 20, 2022 at 09:00 A.M
End of remote e-voting : September 22, 2022 at 05:00 P.M

The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 16, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 16, 2022.

(ii) In case a person becomes a member of the Company after dispatch of e-AGM Notice, and is a member as on the cut-off date for e-voting, i.e. Friday, September 16, 2022, such person may obtain the user id and password by mailing to the Company at shikha@phfleasing.com or RTA at admin@skylinerta.com.

(iii) The Company has appointed Ms. Harshita Aggarwal (M No.: A55717), Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in accordance with the law in a fair and transparent manner. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of NSDL, the e-voting agency & on the Company's website at www.phfleasing.com.

B. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is

	launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	**Helpdesk details**

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.

3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

4. Upon confirmation, the message "Vote cast successfully" will be displayed.

5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csharshitaaggarwal@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company's email address shikha@phfleasing.com.

Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to shikha@phfleasing.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to shikha@phfleasing.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A**) **i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above-mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

C. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

(iii) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

D. INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

(i) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

(ii) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

(iii) Members are encouraged to join the Meeting through Laptops for better experience.

(iv) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(v) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(vi) Shareholders who would like to speak during the meeting must register themselves as a speaker by sending their request in advance by Thursday, September 16, 2022 mentioning their name, demat account number/folio number, email id, mobile number at shikha@phfleasing.com. The same will be replied by the company suitably. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Other Information:

16. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/655 dated November 03, 2021, has provided the norms for furnishing PAN, KYC details and Nomination by holders of physical securities. In case of physical shareholders who have not updated their KYC details may please submit Form ISR-1, Form ISR-2 and Form No. SH-13/Form ISR 3. The link for downloading the forms is available on the Company's website www.phfleasing.com.

17. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the web link at https://tinyurl.com/yc2zfkxa.

18. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

19. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ NEFT etc.

20. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ NEFT etc.

21. SEBI has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. With effect from January 01 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. In case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s) effective from April 01, 2023. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.phfleasing.com.

22. Members may note that, in terms of the Listing Regulations equity shares of the Company can only be transferred in dematerialised form.

23. Non-Resident Indian Members are requested to inform the Company/RTA (if shareholding is in physical mode)/ respective DPs (if shareholding is in demat mode), immediately on:

a) Change in their residential status on return to India for permanent settlement;

b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to ordinary business and special businesses mentioned in the accompanying Notice of Annual General Meeting:

Item No. 3: Object and Purpose:

The Reserve Bank of India vide its Circular No. RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27 April, 2021 ("RBI Guidelines"), has issued guidelines w.r.t. appointment of Statutory Auditors in Banks including NBFCs and FAQs released subsequently. Pursuant to the RBI guidelines, the Statutory Auditors are required to be appointed for a continuous period of three years subject to the firms satisfying the eligibility norms each year. Accordingly, the Company appointed M/s GSA & Associates LLP, Chartered Accountants (FRN: 000257N / N500339) as Statutory Auditors for the period of 3 years starting from conclusion of 29th AGM till the conclusion of 32nd AGM of the Company to be held in calendar year 2024. As the Statutory Auditor firm fulfills the eligibility criteria, thus, based on the recommendation of the Audit Committee, the Board recommends to the members for the ratification of appointment of M/s GSA & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company until the conclusion of 31st Annual General Meeting to be held in the year 2023.

Additional information about Statutory Auditors pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below: -

Terms of Appointment	M/s GSA & Associates LLP, Chartered Accountants were appointed as Statutory Auditors for three years in the 29th AGM held on 23rd September, 2021 to hold the office of the Statutory Auditors till the conclusion of 32nd Annual General Meeting to be held in calendar year 2024. The ratification of appointment of Statutory Auditors is being done for one year i.e. till the conclusion of 31st AGM of the Company pursuant to RBI guidelines.
Proposed Audit fees payable to Auditor and material change in fee payable	INR 5,00,000/- (Indian Rupees Five Lacs Only) as was considered in 29th AGM in addition to applicable GST and reimbursement of out of pocket expenses, if any and/or such other remuneration as may be decided by the Board of Directors from time to time.
Basis of recommendation and Auditor credentials	Pursuant to RBI Guidelines, the Audit Committee in its meeting held on August 12, 2022 recommended to the Board for ratification of the appointment of M/s GSA & Associates LLP (FRN: 000257N/ N500339) as Statutory Auditors on the basis of the fulfillment of eligibility criteria and performance evaluation as prescribed under RBI Guidelines. M/s GSA & Associates LLP was established in the year 1975 and has its head office at Delhi and branch offices at Jammu, Surat and Gurugram. The firm is empaneled with C&AG, RBI, MCX, SFIO, IBA and several others. Its clientele includes several large Public sector units, telecommunication companies, Banks and Private Sector Corporates.

The said ratification of appointment of M/s GSA & Associates LLP, Chartered Accountants shall be pursuant to applicable provisions of RBI Guidelines.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the said Resolution.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for ratification of appointment of the Statutory Auditors.

Item No. 4: Object and Purpose:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Yaduvendra Mathur as an Additional Director of the Company with effect from August 12, 2022 who holds office upto the date of this Annual General Meeting.

The Company has received necessary declaration(s) from Mr. Yaduvendra Mathur confirming that he meets the criteria as prescribed under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations). Further, Mr. Yaduvendra Mathur is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. Mr. Yaduvendra Mathur confirmed that he satisfies the fit and proper criteria as prescribed under Non-Banking Financial Companies (NBFCs) – Corporate Governance (Reserve Bank) Directions, 2015. Mr. Yaduvendra Mathur also confirmed that he is not debarred from holding the office of director by virtue of any order from any regulatory Board or any such authority. A brief profile and other details required the Companies Act, 2013 and Secretarial Standards-2 of The Institute of the Company Secretaries of India and Regulation 36(3) of SEBI LODR areS given below in Annexure.

The Company has also received candidature letter under Section 160 of the Act. In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Mr. Yaduvendra Mathur as an Independent Director is now being placed before the Members for their approval. A copy of appointment letter setting out terms and conditions of his appointment and all other documents referred to in the accompanying Notice and this Statement are available for inspection through electronic mode.

In the opinion of the Board, Mr. Yaduvendra Mathur possess appropriate skills, experience and knowledge and fulfils the conditions for appointment as Independent Director as specified in the Act and that he is independent of the management. The Board of Directors has further expressed its satisfaction over the Fit and Proper Status of the appointee as per the Guidelines issued by the RBI.

Except Mr. Yaduvendra Mathur himself, being appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested (financially or otherwise) in the proposed resolution.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice.

Item No. 5: Object and Purpose:

Mr. Vijay Kumar Sareen was appointed as Whole-time Director of the Company at the 29th Annual General Meeting of the Company held on 23rd September, 2021 for a period of five years i.e. upto May 05, 2026 whereat the remuneration payable to Mr. Vijay Kumar Sareen, Whole-time Director was also approved.

Mr. Vijay Kumar Sareen, Whole-time Director has provided dedicated services and made significant contribution to the overall growth of the Company. Therefore, the Board is of the view that the remuneration payable to Mr. Vijay Kumar Sareen shall be revised, accordingly, the approval of the members of the Company is sought for the revision in the remuneration as provided in resolution no. 5 with effect from April 1, 2022 for the period of 3 years.

Except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as Whole-time Director of the Company as approved by the members of the Company shall remain unchanged.

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

I. General Information

1. Nature of industry: The Company is engaged into financing various kinds of vehicle loans and loan against property.

2. Date of commencement of commercial production: The Company carries on financing business since its incorporation.

3. Financial performance based on given indicators: Standalone Financial Results:

(in Lakhs)

PARTICULARS	**For period ended March 31, 2022 (Audited)**	**For period ended March 31, 2021 (Audited)**
Net Profit/(Loss) for the period	70.90	(47.78)
Net Worth	1045.31	469.03
Earnings Per Share (In Rs.)	2.04	(1.60)

4. Foreign investments or collaborations, if any: NIL

II. Information about the Appointee

1. **Background details**: The background details and profile of Mr. Vijay Kumar Sareen is stated in Annexure to this Notice.

2. **Past remuneration**: The remuneration paid/payable to Whole-time Director for the last financial year 2020-2021 was Rs. 50,000/- per month along with Reimbursement of expenses incurred by him on account of the business of the Company in accordance of the Company's policy.

3. **Recognition or awards:**

- Honoured for Research Paper on voluntary Corporate Disclosure Practices by ICAI, New Delhi.
- Best Teacher Award by Punjab Commerce & Management Association at International Conference
- Honoured by Jalandhar Chapter of ICSI by contribution to profession at Golden Jubilee Celebrations of ICSI
- Felicitated on Teachers Day by Jalandhar Chapter of ICSI for academic guidance to CA students in the last fur decades.
- Chair technical session & activated as resource person for seminars, conferences, webinars organized by different management institutes / colleges.

4. **Job profile and his suitability**: As a Whole-time Director, Mr. Sareen has successfully contributed towards the growth of the Company.

5. **Remuneration Proposed**: The details are provided in the respective resolution at Item No. 5.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Taking into consideration, the size of the Company, profile of Mr. Sareen, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to managerial personnel in similar other companies.

7. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel or other director, if any**: Apart from the remuneration including variable pay as stated above and he helds 42,200 shares in the Company, Mr. Sareen does not have any pecuniary relationship directly or indirectly with the company and its managerial personnel.

III. Other information:

1. Reasons of loss or inadequate profits: At present, the company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.

2. Steps taken or proposed to be taken for improvement: The Company is always looking forward to take all steps and measures including expansion, diversification, restructuring which are in best interest of the company.

3. Expected increase in productivity and profits in measurable terms: The company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

IV. Disclosures

The information, as required, is provided under Corporate Governance Section of the Annual Report. The remuneration package proposed to be given to Mr. Sareen is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr Vijay Kumar Sareen are, in any way, concerned or interested (financially or otherwise) in the proposed resolution except to the extent of his shareholding in the Company.

The Board of Directors recommends this resolution for the approval of members as a Special Resolution.

Annexures to the Notice dated August 12, 2022

DETAILS OF THE DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF THE COMPANY (PURSUANT TO PARA 1.2.5 OF SECRETARIAL STANDARD 2 AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

S. NO.	PARTICULARS	Mr. Vijay Kumar Bhandari	Mr. Yaduvendra Mathur	Mr. Vijay Kumar Sareen
1.	DIN	00052716	00307650	07978240
2.	Date of Appointment at the Board	13/09/2020	12/08/2022	07/03/2020
3.	Date of Birth	14/09/1943	09/11/1959	24/12/1959
4.	Age	79 Years	62 Years	62 Years
5.	Qualification	B. Com (Hons), Chartered Accountant	B.com, MBA, IAS	Post Graduate
6.	Experience (including expertise in Specific functional area) / Brief Resume	Mr. V.K Bhandari is a Nominee Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India. He has expertise and rich experience of over 33 years in banking and finance field. During his tenure with Central Bank of India, he held various important positions in Audit, Regional, Zonal, Credit, Credit Monitoring, Merchant Banking, Treasury, International Divisions of the bank. He has been a Nominee Director of the Bank on the Board of following companies/ entities: - Infrastructure Leasing & Financial Services Ltd., (IL&FS) Mumbai - Indo-Zambia Bank Ltd. Lusaka (Zambia) - Cent Bank Home Finance Ltd., Bhopal - Central Bank Executors & Trustees Ltd, Mumbai He has travelled across the Globe for various Meetings/ Seminars/ Training programs including at Manchester Business School, Manchester (UK). He retired from Bank's services in October 2003 as General Manager in-charge of Treasury, International Division of the Bank. Post retirement he has been on the Board of Capital Local Area Bank Ltd. (now, Capital Small Finance Bank Ltd.)also, for eight years as an Independent Director.	He was an Indian Administrative Services Officer of 1986 batch. He have also worked with Associated Cement Companies in Mumbai between 1982 – 1984 before joining the Indian Revenue Services (Income Tax) in 1984 and then the Indian Administrative Service (IAS) in 1986 topping his batch. Before joining NITI Aayog, he was the Managing Director and Chairman of Exim Bank from February 2014 – February 2017. In NITI Aayog, he headed numerous policy verticals including infrastructure management and the Knowledge and Innovation Group. He was also on the Board of Dedicated Freight Corridor Corporation. After retirement from rank of Secretary to Government of India, he was appointed as Regional Co-ordinator in International Solar Alliance. He also had long stints in various positions in the Finance Department including Principal Secretary Finance, Government of Rajasthan. He have also worked with the African Development Bank during my posting under the Department of Economic Affairs (2001-2003). He also contributed in setting up of three greenfield power plants in the state as Energy Secretary of Rajasthan. He was also Planning Secretary, Public Health Engineering Department (PHED) Secretary and Director General Revenue Intelligence in Government of Rajasthan. He also have experience as Managing Director of a Textile Mill at Bhilwara and as a Chairman of Indira Gandhi Canal Board. He	Mr. V.K. Sareen is Ex-Vice-Principal and Head of PG Department at D.A.V. College, Jalandhar. After passing M.Com (with distinction) from University Business School, Punjab University, Chandigarh, he joined D.A.V. College in 1980. As a Project Director, conducted various seminars, workshops, delivering guest lectures on varying topics in different colleges, he has co-chaired technical sessions, coordinated panel discussions. For detailed profile, please refer to Company's website https://phfleasing.com/about_us.html

		For detailed profile, please refer to Company's website https://phfleasing.com/about_us.html	was Collector & District Magistrate of Bhilwara and Bharatpur and also served for over three years as Senior Deputy Director at the Lal Bahadur Shastri National Academy of Administration, Mussoorie. For detailed profile, please refer to Company's website https://phfleasing.com/about_us.html	
7.	Terms and conditions of appointment/ re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Vijay Kumar Bhandari who was appointed as a Director of the Company at the Board meeting held on May 26, 2022 is liable to retire by rotation.	5 years as an Independent Director	5 years
8.	Remuneration sought to be paid	As per existing approved terms of appointment	He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Companies Act, 2013	As per the terms & conditions of the Board
9.	Remuneration Last drawn	NIL	NIL	Rs. 5,50,000/- p. a.
10.	Shareholding in the Company as on March 31, 2022	NIL	NIL	42200 shares
11.	Relationship with Directors, managers and Key managerial Personnel	Not related to any Director, Managers and Key Managerial Personnel	Not related to any Director, Managers and Key Managerial Personnel	Not related to any Director, managers and Key managerial Personnel
12.	No. of Board Meetings attended during the year (2021-2022)	10	N.A.	9
13.	Directorships of other Boards as on March 31, 2022	I Jayant Agro-Organics Limited 2. Supershakti Metaliks Limited 3. HSIL Limited 4. Super Smelters Ltd 5. Guru Nanak Auto Enterprises Limited 6. Exclusive Leasing And Finance Private Limited 7. Midland Microfin Limited 8. Agile Finserv Private Limited	1. Consulting Engineers Group Limited (Director), 2. Sangam (India) Limited (Director), 3. Laxmi India Finleasecap Private Limited (Independent Director)	DSB Edutech Private Limited (Director)
14.	Membership/ Chairmanship of committees of other Boards	1. Member in Audit Committee of Jayant Agro-Organics Limited 2. Chairperson in Audit Committee of Supershakti Metaliks Limited	Member in Nomination and Remuneration Committee of Laxmi India Finleasecap Private Limited	NIL

		3. Chairperson in Audit Committee of HSIL Limited 4. Member in Stakeholder Relationship Committee of HSIL Limited 5. Chairperson in Audit Committee of Midland Microfin Limited 6. Member in Stakeholder Relationship Committee of Midland Microfin Limited		
15.	Details of resignation from listed entities in past three years	Kopran Limited 19/09/2015-25/04/2019	NIL	NIL
16.	In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	N.A.	The role and capabilities as required in the case of an independent director are well defined in the Policy on Nomination, Appointment, and Removal of Directors. Further, the Board has a defined list of core skills/expertise/ competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Yaduvendra Mathur and concluded that Mr. Mathur possess the relevant skill and capabilities to discharge the role of Independent Directors.	N.A.

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