

Independent Auditors' Report

**To the Members of
PHFL Home Loans and Services Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of PHFL Home Loans and Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit and its cash flows for the year ended on that date.

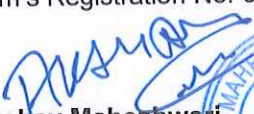
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) 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 'II'.
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company did not have any pending litigations at the end of the year;
- ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
- iii. During the year, Company was not required to transfer any amount to the investor Education and Protection Fund.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050


Akshay Maheshwari
Partner
Membership No. 504704



Place: New Delhi
Date: May 1, 2018

Annexure 'I' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable property of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- 2) The provisions of paragraph (ii) of the order are not applicable to the Company, as the Company is engaged in the services sector.
- 3) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2017-18, and accordingly clauses (a), (b) and (c) of para (iii) of the order are not applicable.
- 4) As informed, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- 5) In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits from the public during the year.
- 6) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act, in respect of the activities carried on by the Company.
- 7)
 - (a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date they become payable.
 - (b) According to the information and explanations given to us, there is no dues of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.



- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No: 001035N/N500050


Akshay Maheshwari
Partner
Membership No: 504704



Place: New Delhi
Date: May 1, 2018

Annexure 'II' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" 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 PHFL Home Loans and Services Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No: 001035N/N500050


Akshay Maheshwari
Partner

Membership No: 504704




Place: New Delhi
Date: May 1, 2018


PHFL HOME LOANS AND SERVICES LIMITED

Balance Sheet as at March 31, 2018

	Note No.	As at March 31, 2018 (₹)
<u>EQUITY AND LIABILITIES</u>		
Shareholder's Funds		
Share Capital	2	25,00,000
Reserves and Surplus	3	1,78,51,693
		<u>2,03,51,693</u>
Non-Current Liabilities		
Long-Term Provisions	4	2,43,157
		<u>2,43,157</u>
Current Liabilities		
Trade Payables	5	32,59,491
Other Current Liabilities	6	2,45,68,484
Short-Term Provisions	7	21,44,127
		<u>2,99,72,102</u>
Total		<u><u>5,05,66,952</u></u>
<u>ASSETS</u>		
Non-Current Assets		
Fixed Assets		
Intangible Assets	8	15,06,041
Deferred Tax Assets (Net)		69,577
		<u>15,75,618</u>
Current Assets		
Current Investments	9	5,34,677
Trade Receivables	10	4,37,41,987
Cash and Bank Balances	11	5,47,644
Other Current Assets	12	41,67,026
		<u>4,89,91,334</u>
Total		<u><u>5,05,66,952</u></u>
Overview and Significant Accounting Policies	1	
The notes are an integral part of the Financial Statements		

In terms of our report of even date
For B.R. Maheswari and Co. LLP
Chartered Accountants
FR No : 001035N/N500050


Akshay Maheswari
Partner
Membership No: 504704



For and on behalf of the Board of Directors


Shaji Varghese
Chairman
DIN: 07781821




Ajay Gupta
Director
DIN: 07780438

Place: New Delhi
Date: May 01, 2018

PHFL HOME LOANS AND SERVICES LIMITED

Statement of Profit and Loss for the period August 22, 2017 to March 31, 2018

	Note No.	For the Period Ended March 31, 2018 (₹)
INCOME		
Revenue from Operations	13	49,440,800
Other Income		34,677
Total Revenue		49,475,477
EXPENSES		
Finance Cost	14	1,347
Employee Benefits Expense	15	19,756,645
Other Expenses	16	4,868,037
Depreciation & Amortisation	8	208,572
Total Expenses		24,834,601
Profit Before Tax		24,640,876
Less: Provision for Taxation -Current Tax		6,858,760
-Deferred Tax(Net)		(69,577)
Profit After Tax		17,851,693
Earnings Per Share (Face Value of ₹ 10/- each, fully paid-up)	17	
-Basic		117.40
-Diluted		117.40
Overview and Significant Accounting Policies	1	
The notes are an integral part of the Financial Statements		

In terms of our report of even date
For B.R. Maheswari and Co. LLP
Chartered Accountants
FR No : 001035N/N500050

For and on behalf of the Board of Directors

Akshay Maheshwari
Partner
Membership No: 504704



Shaji Varghese
Chairman
DIN: 07781821



Ajay Gupta
Director
DIN: 07780438

Place: New Delhi
Date: May 01, 2018

PHFL HOME LOANS AND SERVICES LIMITED

**Cash Flow Statement for the period August 22, 2017 to March 31, 2018
(Indirect Method)**


	For the Period Ended March 31, 2018 (₹)
CASH FLOW FROM OPERATING ACTIVITIES	
Profit Before Tax	24,640,876
Adjustment for non-cash items, to be disclosed separately	
Depreciation and Amortisation	208,572
Loss/(Profit) on sale of Investment	(34,677)
	<u>173,895</u>
Operating Profits before Changes in Working Capital	24,814,771
Adjustment for Changes in Working Capital	
Increase/ (Decrease) in Trade Payables	3,259,491
Increase/ (Decrease) in Long-Term Provision	243,157
Increase/ (Decrease) in Short-Term Provision	229,448
Increase/ (Decrease) in Other Current Liabilities	24,568,484
(Increase)/ Decrease in Trade Receivables	(43,741,987)
(Increase)/ Decrease in Other Current Assets	(4,167,026)
	<u>(19,608,433)</u>
Cash Generated from Operations	5,206,338
Taxes Paid (net of refunds)	(4,944,081)
A. NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	262,257
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(1,714,613)
Purchase of Investment	(2,450,000)
Sale of Fixed Assets	1,950,000
	<u>(2,214,613)</u>
B. NET CASH USED IN INVESTING ACTIVITIES	(2,214,613)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Share Capital	2,500,000
C. NET CASH FROM IN FINANCING ACTIVITIES	2,500,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>547,644</u>
Cash and Cash equivalents (Opening Balance)	-
Cash and Cash equivalents (Closing Balance)	<u>547,644</u>

Note : Figures in bracket denotes application of cash.

Overview and Significant Accounting Policies
The notes are an integral part of the Financial Statements

In terms of our report of even date
For B.R. Maheswari and Co. LLP
Chartered Accountants
FR No : 001035N/N500050

Akshay Maheshwari
Partner
Membership No: 504764



For and on behalf of the Board of Directors

Shaji Varghese
Chairman
DIN: 07781821



Ajay Gupta
Director
DIN: 07780438




Place: New Delhi
Date: May 01, 2018

1. OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

- 1.1 PHFL Home Loans and Services Limited ("PHFL" or "the Company") was incorporated on August 22, 2017, as a wholly owned subsidiary of PNB Housing Finance Limited. The Company is primarily engaged in the business of rendering professional, consultancy and advisory services in relation to financial products / instruments.

1.2 GENERAL METHOD AND SYSTEM OF ACCOUNTING

- 1.2.1 The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. The financial statements comply in all material aspects with the Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule 7 of the Company (Accounts Rules 2014) and the relevant provisions of the Companies Act, 2013.

- 1.2.2 The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

- 1.2.3 The Company has adopted the accrual concept in the preparation of the financial statements. The Balance Sheet and the Statement of Profit and Loss of the Company are prepared in accordance with the provisions contained in Section 129 of the Companies Act, 2013, read with Schedule III.

- 1.2.4 Amounts in the financial statements are presented in Indian rupee, unless as otherwise stated.

1.3 INFLATION

Assets and liabilities are recorded at historical cost to the company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

1.4 OPERATING CYCLE

Based on the nature of its activities, the Company has determined its operating cycle as 12 months for classification of its assets and liabilities as current and non-current.

1.5 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.6 CASH AND CASH EQUIVALENTS

Cash comprises cash-on-hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

1.7 REVENUE RECOGNITION

- 1.7.1 Commission Income, Brokerage Income, Management fee, Income from Service Charge etc., are recognised on accrual basis in accordance with agreements.

- 1.7.2 Interest Income on Investment is recognised on accrual basis. Dividend Income is recognised when the right to receive the same is established. The gain / loss on account of long-term Investment at discount / premium in Debentures / Bonds and Government Securities, is amortised over its life on a pro-rata basis.

- 1.7.3 Gain / Loss on sale of Investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on Sale of investment is determined after consideration of cost on a weighted average basis.

- 1.7.4 Interest on tax refunds are accounted when the right to receive has been established.

1.8 TANGIBLE ASSETS

Tangible Assets are capitalised at cost including all expenses incidental to the acquisition/ installation.

1.9 INTANGIBLE ASSETS

Intangibles Assets comprising of system softwares and initial website development costs are stated at cost of acquisition, including all expenses attributable for bringing the same in its working condition. Intangibles Assets are recognised where it is possible that the future economic benefit attributable to the asset will flow to the Company and its cost can be reliably measured.



1.10 DEPRECIATION / AMORTISATION

Tangible Assets

Depreciation on Tangible Assets is provided on the Straight Line Method as per the useful life prescribed in Part C of Schedule II of the Companies Act, 2013 on pro-rata basis.

Intangible Assets

Intangible Assets are amortised over a period of five years except website development costs which are amortised over a period of three years.

1.11 INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and net realisable value, category-wise.

Long-term investments are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of the securities acquired is amortised over the remaining period to maturity on a constant yield basis.

1.12 EMPLOYEE BENEFITS

1.12.1 Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

1.12.3 Defined Contribution Plan

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

1.12.4 Defined Benefit Plan

The Company has defined benefit plans as Leave Encashment/Compensated Absences and Gratuity for all eligible employees, the liability for which is determined based on an actuarial valuation at the end of the year using the 'Projected Unit Credit Method'. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as Income or Expenses, as applicable.

1.13 BORROWING COSTS

1.13.1 Interest on borrowings are recognised as an expense in the period in which they are incurred.

1.13.2 Ancillary cost in connection with long-term borrowing are amortised to the Statement of Profit and Loss over the tenure of the borrowing.

1.13.3 All other borrowing costs are charged to the Statement of Profit and Loss.

1.14 TRANSACTION INVOLVING FOREIGN EXCHANGE

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency are converted at the rate of exchange prevailing on the date of financial statements.

1.15 OPERATING LEASES

Leases where the lessor effectively retains substantially all the risk and the benefits of ownership over the leased term are classified as operating leases. Lease payments for assets taken on operating lease are recognised as an expense in the Statement of Profit and Loss as per terms of lease agreement.

1.16 EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing, dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.



1.17 **TAXES ON INCOME**

Taxes on Income are accounted for in accordance with Accounting Standard "Accounting for taxes on income" (AS 22), issued by The Institute of Chartered Accountants of India. Income tax comprises both current and deferred tax.

Current tax is measured based on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and rules made thereunder.

The tax effect of timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Such deferred tax is quantified using the tax rates and laws enacted of substantively enacted as on Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

Deferred tax assets arising on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

1.18 **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

i) Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

ii) Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it.

iii) Contingent Assets are neither recognised nor disclosed in the financial statements.

1.19 **IMPAIRMENT OF ASSETS**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.



	As at March 31, 2018 (₹)
2 SHARE CAPITAL	
Authorised Share Capital 10,00,000 Equity Shares of ₹ 10/- each	10,000,000
Equity Share Capital Issued, Subscribed and Fully Paid-up Capital 2,50,000 Equity Shares of ₹ 10/- each	2,500,000
Total Issued, Subscribed and Fully Paid-up Capital	2,500,000

2.1 Reconciliation of Shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2018	
	Numbers	Rupees
Equity Shares of ₹ 10/- each		
Balance at the beginning	-	-
Add: Shares issued during the period	250,000	2,500,000
Outstanding at the end of the year	250,000	2,500,000

2.2 Details of Shareholders holding more than 5% of the aggregate Shares in the Company

	As at March 31, 2018	
	No. of Shares	% of Holding
Name of Shareholder		
PNB Housing Finance Limited (Holding Company)	250,000	100.00%

2.3 The rights , preferences and restrictions attached to Equity Shares including restriction on distribution of dividends and repayment of capital

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of the liquidation of the Company, the holder of the equity share are entitled to receive any of the remaining assets of the Company, after the distribution of the preferential amounts. The distribution will be in the proportion of the number of equity shares held by the equity shareholders.

2.4 The Company has not allotted any share pursuant to contracts without payment being received in cash , bonus shares nor has it bought back any shares during the preceding five financial years.

	As at March 31, 2018 (₹)
3 RESERVE AND SURPLUS	
<u>Surplus in the Statement of Profit and Loss</u>	
Opening Balance	-
Add: Profit for the period	17,851,693
Balance in the Statement of Profit and Loss	17,851,693



	As at March 31, 2018 (₹)
4 LONG-TERM PROVISIONS	
Provision for Employees Benefits	243,157
	<u>243,157</u>
	As at March 31, 2018 (₹)
5 TRADE PAYABLES	
Provision for Expenses	3,259,491
	<u>3,259,491</u>
5.1 Trade Payables ₹ Nil payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / payable by the Company during the year to the "Suppliers" covered under the Micro, Small and Medium Enterprise Development Act, 2006.	
	As at March 31, 2018 (₹)
6 OTHER CURRENT LIABILITIES	
Statutory Dues Payable	10,678,963
Salary Payable	13,889,521
	<u>24,568,484</u>
	As at March 31, 2018 (₹)
7 SHORT-TERM PROVISIONS	
Provision for Employees Benefits	229,448
Provision for Taxation (Net of TDS of Rs. 49,44,080)	1,914,679
	<u>2,144,127</u>



8. FIXED ASSETS

Description	Gross Block			Accumulated Depreciation/ Amortisation			Net
	Balance as at August 22, 2017	Additions during the period	Deductions during the period	Balance as at March 31, 2018	Balance as at August 22, 2017	Amortisation for the period	
Intangible: Software	-	1,714,613	-	1,714,613	-	208,572	208,572
Grand Total	-	1,714,613	-	1,714,613	-	208,572	208,572
Previous Year	-	-	-	-	-	-	-
							Balance as at March 31, 2018
							1,506,041
							1,506,041



9 CURRENT INVESTMENTS

QUOTED - OTHER THAN TRADE (FULLY PAID)

Mutual Fund

Reliance Liquid Fund

197

2,708

As at
March 31, 2018
(₹)

534,677

534,677

Aggregate value of Quoted Investments

Market Value of Quoted Investments

-

Aggregate value of Unquoted Investments

534,677



10 TRADE RECEIVABLES

	As at March 31, 2018 (₹)
Trade receivables outstanding for a period less than six months from the date they are due for payment	-
Unsecured, considered good	43,741,987
Less: Provision for doubtful debts	-
	<u>43,741,987</u>

11 CASH AND BANK BALANCES

	As at March 31, 2018 (₹)
Cash and Cash Equivalents	-
Balances with Banks in Current Accounts	547,644
	<u>547,644</u>

12 OTHER CURRENT ASSETS

	As at March 31, 2018 (₹)
Prepaid Expenses	4,167,026
	<u>4,167,026</u>



13	REVENUE FROM OPERATIONS	For the Period Ended March 31, 2018 (₹)
	Commission Income	49,440,800
		<u>49,440,800</u>
14	INTEREST EXPENSES AND OTHER CHARGES	For the Period Ended March 31, 2018 (₹)
	Bank Charges	1,347
		<u>1,347</u>
15	EMPLOYEE BENEFITS EXPENSE	For the Period Ended March 31, 2018 (₹)
	Salaries and Allowances	17,805,575
	Contribution to Provident Fund and Other Funds	1,400,474
	Gratuity	243,370
	Staff Welfare	307,226
		<u>19,756,645</u>
16	OTHER EXPENSES	For the Period Ended March 31, 2018 (₹)
	Rent, Rates and Taxes	200,000
	Marketing expenses	2,752,290
	Professional Charges	1,763,147
	Auditors Remuneration (Refer Note 16.1)	150,000
	Printing and Stationery	2,600
		<u>4,868,037</u>
16.1	AUDITORS REMUNERATION	
	Particulars	
	Statutory Audit Fee	120,000
	Tax Audit Fee	30,000
	Total	<u>150,000</u>



17 In accordance with the Accounting Standard on 'Earnings Per Share' (AS 20), the Earnings Per Share is as follows:

Particulars	Unit	For the period August 22, 2017 to March 31, 2018
a) Amount used as the numerator for Basic EPS Profit After Tax	(in ₹)	17,851,693
b) Weighted average number of equity shares for Basic EPS	Number	152,055
c) Weighted average number of equity shares for Diluted EPS	Number	152,055
d) Nominal value per share	(in ₹)	10
e) Earnings Per Share:		
-Basic (a/b)	(in ₹)	117.40
-Diluted (a/c)	(in ₹)	117.40

18 Related Party Transactions

As per the Accounting Standard on 'Related Party Disclosures' (AS 18), notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

Name of the Related Party	Nature of Relationship
PNB Housing Finance Limited	Holding Company

The nature & volume of transactions of the Company during the year, with the above related parties were as follows. These transactions were carried out in ordinary course of business and were at arm's length price:

Particulars	For the period August 22, 2017 to March 31, 2018 (in ₹)
PNB Housing Finance Limited	
Financing	
Allotment of Equity Share Capital	2,500,000
Other Receipts & Payments	
Reimbursement of Expenses	6,954,077
Income	
Commission Income	49,440,800
Outstanding Balance	
Receivables (Net)	43,741,987

19 Segment Reporting

Company's main business is to provide professional, consultancy and advisory services in relation to financial products / instruments. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Accounting Standard on Segment Reporting (AS-17), notified by the Companies (Accounting Standard) Rules, 2016.

20 Expenditure in Foreign Currency:

Particulars	For the period August 22, 2017 to March 31, 2018
Other Expenses	1,538,008

21 Contingent Liabilities and Commitments

- There are no contingent liabilities as on the Balance sheet date.
- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 45,00,000/-.

22 There are no indications which reflect that any of the assets of the Company had got Impaired from its potential use and therefore no Impairment loss was required to be accounted in the current year as per Accounting Standard on "Impairment of Assets" (AS 28) notified by the Companies (Accounting Standards) Rules, 2006.

23 Being the first year post incorporation of the company, hence previous year figures are not available.

