Manubhai & Shah LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Pahal Financial Services Private Limited

Report on Financial Statements

We have audited the accompanying financial statements of **Pahal Financial Services Private Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, 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 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 and presentation 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.

Auditor's 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 issued by the Institute of Chartered Accountants of India, as 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, 2016, 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 A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account;

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditors' Report

[Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report on financial statements for the year ended March 31, 2016 to the members of Pahal Financial Services Private Limited]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties included in the fixed assets of the Company and accordingly the requirements under clause 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and accordingly the reporting requirements of clause 3(ii) of the Order are not applicable to the Company, hence not commented upon.

(iii) According to information and explanations given to us, 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. Therefore, the provisions of Clause 3 (iii) (a), (b) and (c) of the said Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product / services rendered by the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance,

income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities,

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as applicable were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and according to the records of the Company examined by us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute.

(viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions, Banks, Debenture holders or Government.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of Initial Public Offer or Further Public Offer, hence not commented upon.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for the immediate utilization were gainfully invested in liquid assets payable on demand.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.

(xii) 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 and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) According to the information and explanations given to us, we report that the company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For Manubhai & Shah LLP
Chartered Accountants
Firm Reg. No. 106041W/W100136

Place: Ahmedabad

Date: May 26, 2016

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Jignesh D. Shah)
Partner
Membership number: 100116

Annexure B to the Independent Auditors' Report

[Annexure referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report on financial statements for the year ended March 31, 2016 to the members of Pahal Financial Services Private Limited]

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 **Pahal Financial Services Private Limited ("the Company")**, as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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.

Auditor's 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 deemed to be 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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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 judgment, 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 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 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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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 31 March 2016, 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 Manubhai & Shah LLP
Chartered Accountants
Firm Reg. No. 106041W/W100136

Place: Ahmedabad

Date: May 26, 2016

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(Jignesh D. Shah)
Partner
Membership number: 100116

Pahal Financial Services Private Limited

CIN:U65910GJ1994PTC082668

Balance Sheet as at March 31, 2016

(Amount in ₹)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	11 81 96 110	9 38 80 000
(b) Reserves and Surplus	3	6 94 21 291	2 44 21 689
		18 76 17 401	**11 83 01 689**
(2) Non-current liabilities			
(a) Long Term Borrowings	4	29 87 06 850	24 57 37 183
(b) Long- term Provisions	5	58 41 291	22 77 432
		30 45 48 141	**24 80 14 615**
(3) Current liabilities			
(a) Short-term Borrowings	6	3 90 30 910	3 49 92 557
(b) Trade Payables			
Total outstanding dues of micro enterprise and small enterprise		-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise		67 71 131	33 78 590
(c) Other Current Liabilities	7	88 71 15 932	59 65 91 283
(d) Short- term Provisions	5	1 32 67 915	94 27 766
		94 61 85 888	**64 43 90 196**
Total		**143 83 51 430**	**101 07 06 500**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible Assets		45 43 904	46 78 100
(ii) Intangible Assets		7 08 325	5 17 326
(b) Deferred tax assets (net)	9	7 44 262	3 55 902
(c) Long-term Loans and Advances	10		
(i) Portfolio Loans		25 54 92 147	9 06 80 021
(ii) Others		2 67 37 950	3 07 16 266
(d) Other Non Current Assets	11	4 68 57 394	3 22 59 281
		33 50 83 982	**15 92 06 896**
(2) Current assets			
(a) Trade Receivables	12	6 27 298	1 53 343
(b) Cash and Bank Balances	13	26 21 66 943	30 40 80 226
(c) Short-term loans and advances	10		
(i) Portfolio Loans		80 49 59 567	51 15 05 940
(ii) Others		1 34 85 380	2 16 34 038
(d) Other Current Assets	11	2 20 28 260	1 41 26 057
		110 32 67 448	**85 14 99 604**
Total		**143 83 51 430**	**101 07 06 500**
Significant accounting policies & Notes on accounts	1		

Notes on accounts form integral part of the financial statements

As per our report of even date

For Manubhai & Shah LLP
Chartered Accountants
Firm Reg.No. 106041W/W100136

(Jignesh D. Shah)
Partner
Membership No. 100116
Place: Ahmedabad
Date: May 26,2016

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board

Managing Director DIN. 02083342

Director DIN.02102740

Chief Financial Officer

Company Secretary

Place: Ahmedabad
Date: May 26,2016

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

CIN:U65910GJ1994PTC082668

Statement of Profit and Loss for the year ended March 31,2016

(Amount in ₹)

	Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I	**Revenue from Operations**	14	25 29 05 013	16 75 67 554
II	**Other income**	15	62 83 860	32 23 582
III	**Total Revenue (I + II)**		**25 91 88 873**	**17 07 91 136**
IV	**Expenses:**			
	Finance costs	16	13 97 86 233	9 08 37 222
	Employee benefits expenses	17	5 24 90 290	3 57 18 819
	Depreciation and Amortisation expenses	8	13 99 501	9 02 751
	Other expenses	18	2 82 58 420	1 89 57 785
	Provisions and write-offs	19	69 01 442	22 90 781
	Total Expenses		**22 88 35 886**	**14 87 07 358**
V	**Profit before tax (III - IV)**		**3 03 52 987**	**2 20 83 778**
VI	**Tax expense:**			
	(1) Current Tax		1 19 80 000	76 85 000
	(2) Short provision of tax relating to earlier years		-	1 28 677
	(3) Deferred Tax Adjustment -Charge/(Credit)		(3 88 360)	(1 81 747)
	Total tax expense		**1 15 91 640**	**76 31 930**
VII	**Profit for the year (V - VI)**		**1 87 61 347**	**1 44 51 848**
VIII	**Earning per share**	20		
	[nominal value of share ₹10 (March 31, 2015: ₹10)]			
	Basic and Diluted		2.09	1.75
	Significant accounting policies & Notes on accounts	1		

Notes on account form integral part of the financial statements

As per our report of even date

For Manubhai & Shah LLP
Chartered Accountants
Firm Reg.No. 106041W/W100136

(Jignesh D. Shah)
Partner
Membership No. 100116

MANUBHAI & SHAH LLP ✦ CHARTERED ACCOUNTANTS ✦

Place: Ahmedabad
Date: May 26,2016

For and on behalf of the Board

Managing Director
DIN. 02083342

Director
DIN.02102740

Chief Financial Officer

Company Secretary

Place: Ahmedabad
Date: May 26,2016

Pahal Financial Services Pvt. Ltd. ✦ PFSPL

Pahal Financial Services Private Limited

CIN:U65910GJ1994PTC082668

Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A	**Cash flow from operating activities**		
	Profit before tax	3 03 52 987	2 20 83 778
	Adjustments for :		
	Depreciation and amortization	13 99 501	9 02 751
	Loss on sale of fixed asset	-	5 195
	Provision for Standard and Non Performing Assets	50 14 254	17 08 520
	Assets Written off (Loans)	18 87 188	5 82 261
	Operating profit before working capital changes	3 86 53 930	2 52 82 505
	Movements in working capital :		
	Increase/(decrease) in other liabilities & provisions	(31 07 123)	(9 51 40 443)
	Increase/ (decrease) in Trade Payables	33 92 541	14 43 178
	Decrease / (increase) in loans and advances	(45 30 40 221)	(14 85 62 214)
	Decrease / (increase) in Trade Receivables	(4 73 955)	(1 58 343)
	Decrease / (increase) in Other Assets	(88 34 218)	(21 41 587)
	Cash used in operations	(42 34 09 046)	(21 92 71 904)
	Direct taxes paid (net of refunds)	(1 11 03 750)	(82 77 258)
	Net cash used in operating activities (A)	(43 45 12 796)	(22 75 49 162)
B	**Cash flow from investing activities :**		
	Purchase of fixed assets	(14 56 305)	(50 23 156)
	Sale of fixed assets	-	7 000
	Margin money deposits (net)	(3 43 12 885)	(61 25 028)
	Net cash used in investing activities (B)	(3 57 69 190)	(1 11 41 184)
C	**Cash flow from financing activities :**		
	Proceeds from issuance of Equity Share and Share Premium	5 59 27 053	-
	Dividend paid during the year	(39 77 600)	(9 14 795)
	Tax paid on Dividend	(8 09 760)	(1 55 470)
	Short-term borrowings and current maturity (net)	30 36 12 556	22 36 71 308
	Long term Borrowings (net)	5 29 69 667	12 80 32 220
	Net cash from financing activities (C)	40 77 21 916	35 06 33 263

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

CIN:U65910GJ1994PTC082668

Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(6 25 60 070)	11 19 42 917
Cash and cash equivalents as at the beginning of the year	27 22 19 103	16 02 76 186
Cash and cash equivalents as at end of the year (Refer Note 13)	**20 96 59 033**	**27 22 19 103**

Notes:

(Amount in ₹)

(i) Components of cash & cash equivalents at the year end	As at March 31, 2016	As at March 31, 2015
Cash on hand	6 87 308	1 33 963
Balance with banks in current accounts	11 74 71 725	6 20 85 138
Deposit with maturity less than 3 months	9 15 00 000	21 00 00 002
	20 96 59 033	**27 22 19 103**

(ii) The cash flow statement has been prepared under indirect method as per Accounting Standard - 3 "Cash Flow Statement".

(iii) Figures in brackets represent outflows.

Notes on account forming integral part of the financial statements

As per our report of even date

For Manubhai & Shah LLP
Chartered Accountants
Firm Reg.No. 106041W/W100136

(Jignesh D. Shah)
Partner
Membership No. 100116

Place: Ahmedabad
Date: May 26,2016

For and on behalf of the Board

Managing Director DIN. 02083342

Director DIN.02102740

Chief Financial Officer

Company Secretary

Place: Ahmedabad
Date: May 26,2016

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

Company Overview:

Pahal Financial Services Private Limited (herein after referred to as 'the Company') is a company incorporated under the provisions of the Companies Act, 1956. The company is non-deposit accepting non-banking financial company ('NBFC-ND') registered with the Reserve bank of India (RBI) under Section 45-IA of the RBI Act, 1934 and has got classified as a Non-Banking Financial Company- Micro Finance Institution ('NBFC- MFI') with effect from January 29, 2014. The Company is primarily engaged in business of providing micro finance services by way of loans to women who are organized as Joint Liability Groups ('JLG') and individuals in the urban areas of Gujarat and Maharashtra .

In addition to the core business of providing micro finance, the company uses its distribution channel to provide certain other financial products and services to members.

1 Statement of Significant Accounting Policies :

1.1 Basis of preparation of Financial Statements :

These financial statements are prepared in accordance with Generally Accepted Accounting principles in India (GAAP) under the historical cost convention on the accrual basis except interest on loans classified as non performing assets, which is accounted for on realisation basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and the provisions of the RBI as applicable to NBFC-MFI and NBFC-ND. The accounting policies have been consistently applied by the Company except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standards requires a change in accounting policy hereto in use.

1.2 Use of Accounting Estimates :

The preparation of financial statements in conformity with Generally Accepted Accounting principles in India (GAAP) requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Interest income on loan given is recognized under the internal rate of return, or IRR, method. This method of accounting matches the recognition of financial expenses, showing an equal treatment of income and expenses. Further, income on Non Performing Assets is recognized only when realized and any such interest income recognised before the assets became non performing and remaining unrealied is reversed.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

(b) Loan processing fees collected from members are recognized on accrual basis.

(c) Interest income on deposits with banks is recognized on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

(d) Profit on sale of units of mutual fund is recognized on realisation of profits.

(e) Profit/Premium arising at the time of securitisation of loan portfolio is amortised over the life of the underlying loan/portfolio/securities and loss arising thereon is accounted immediately.

(f) All the other income is recognised on accrual basis.

1.4 Tangible Fixed Assets and Depreciation :

(a) All fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and all incidental costs related to acquisition and bringing the asset to its working condition for its intended use.

(b) Depreciation on fixed assets is provided on the Straight line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

(c) Fixed assets costing upto ₹ 5,000/- individually are fully depreciated in the year of purchase.

1.5 Intangible Assets and Amortisation :

(a) An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably Intangibles are stated at cost, less accumulated amortization and impairment losses, if any.

(b) Software cost related to computers is capitalized and amortized using the straight-line method over a period of three years.

1.6 Impairment :

(a) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. On such indication, the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 risks specific to the asset.

(b) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

1.7 Investments:

(a) Current investments are carried at lower of cost and fair value.

(b) Long term investments are carried at cost less provision for diminution, other than of temporary nature, in value of such investments.

1.8 Borrowing cost

All borrowing cost are expensed in the period they occur. Borrowing cost include interest and other costs incurred in connection with the arrangement of borrowings.

1.9 Employee Benefits :

(a) Defined Contribution Plan:

Employee benefits in the form of Provident Fund and Employee State Insurance Contribution are defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(b) Defined Benefit Plan:

Gratuity liability for eligible employees is defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation. Actuarial gains/losses are immediately taken to Statement of Profit and Loss.

1.10 Leases:

Where the Company is the lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss.

1.11 Income Taxes :

Tax expense comprises of current and deferred tax.

(a) **Current income tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions under the Income Tax Act, 1961.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

(b) **Deferred Tax liability/ Asset**

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred Tax Assets and Deferred Tax Liabilities are reviewed for appropriateness of their respective carrying values at each balance sheet date.

1.12 Provisions, Contingent Liabilities and Contingent Assets:

(a) A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on 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.

(b) Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.13 Classification and Provision Policy for Loan Portfolio:

(a) **Loans to JLG Portfolio**

Loans to JLG Portfolio is classified in acordance with Non-Banking Financial Institution (Reserve Bank) Direction, December 02, 2011 ('NBFC-MFI Directions) as amended from time to time. Classification of loan along with the percentage of provision made on such loans is as under:

	Classification	Arrear Period	% of Provision
(i)	Standard Asset	Overdue* upto 90 days	1%
(ii)	Non Performing Assets	Overdue* for more than 90 days and less than 180 days	50%
		Overdue* for 180 days and more	100%
(iii)	Loss Assets	Overdue* for more than 365 days	Written off

"Overdue' refers to interest and/or installment remaining unpaid form the day it became receivable.

The overall provision for loans to JLG is made as per the provision prescribed in the Non -Banking Finance Company- Micro Finance Institution (Reserve Bank) Directions, 2011 ('NBFC- MFI Directions').These directions require the total provisions for Overall loans to be higher of (a)1% of the outstnding loan portfolio or (b)50% of the aggregate loan installment which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installment which are overdue for 180 days of more.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

(b) **Loans other than JLG Loans**

Loans and advance,other than loans with JLG are classified in accordance with Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No.DNBR.008/ CGM (CDS) - 2015 dated March 27, 2015.

Classification	Arrear Period	% of Provision
Standard Assets	-	0.25%
Non Performing Assets	Overdue for 180 days or more	-
Sub- Standard Assets	NPA for a period not exceeding 18 months	10%
Doubtful Assets	NPA for a period exceeding 18 months	
Category - I	NPA for a period exceeding 18 months and upto 30 months	20%
Category - II	NPA for a period exceeding 30 months and upto 54 months	30%
Category - III	NPA for a period exceeding 54 months	50%
	NPA not covered by realizable security	100%
Loss Assets	(As identified by Management)	Written off

(c) Assigned Loans:

Provision for losses arising under securitisation arrangements is made as higher of the incurred loss and provision in relation to overdue receivable subject to the maximum guarantee given in respect of these arrangements.

1.14 General

Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services P. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

2 Share Capital

(i) Authorised, Issued, Subscribed and Paid- Up Capital:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised		
1,44,00,000 Equity Shares of ₹10/- each (March 31, 2015: 74,00,000 Equity Shares of ₹ 10/- each)	14 40 00 000	7 40 00 000
60,00,000 Preference Shares of ₹ 10/- each (March 31, 2015: 30,00,000 Preference Shares of ₹ 10/- each)	6 00 00 000	3 00 00 000
Total	**20 40 00 000**	**10 40 00 000**
Issued		
95,82,000 Equity Shares of ₹ 10/- each (March 31,2015: 63,88,000 Equity Shares of ₹ 10/-each)	9 58 20 000	6 38 80 000
30,00,000 Redeemable Preference Shares of ₹ 10/- each (March 31,2015: 30,00,000 Redeemable Preference Shares of ₹ 10/-each)	3 00 00 000	3 00 00 000
Total	**12 58 20 000**	**9 38 80 000**
Subscribed and Paid Up		
88,19,611 Equity Shares of ₹ 10/- each (March 31,2015: 63,88,000 Equity Shares of ₹ 10/-each)	8 81 96 110	6 38 80 000
30,00,000 Redeemable Preference Shares of ₹ 10/- each (March 31,2015: 30,00,000 Redeemable Preference Shares of ₹ 10/-each)	3 00 00 000	3 00 00 000
Total	**11 81 96 110**	**9 38 80 000**

(ii) Reconciliation of number of shares outstanding at beginning and at the end of the reporting period is as under:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares				
At the beginning of the year	63 88 000	6 38 80 000	63 88 000	6 38 80 000
Issued during the year	24 31 611	2 43 16 110	-	-
Outstanding at the end of the year	**88 19 611**	**8 81 96 110**	**63 88 000**	**6 38 80 000**
Preference Shares				
At the beginning of the year	30 00 000	3 00 00 000	30 00 000	3 00 00 000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**30 00 000**	**3 00 00 000**	**30 00 000**	**3 00 00 000**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

(iii) Terms / Rights of Shareholders, Dividend and Repayment of Capital:

A Equity Shares

(a) The Company has one class of Equity shares having a par value of ₹ 10/-.

(b) Each holder of equity shares is entitled to one vote per share

(c) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

B Preference Shares

(a) Details of the Preference shares issued are as under :

> 10,00,000 shares Allotted on October 1,2013

> 20,00,000 shares Allotted on December 27,2013

(b) The Preference share would be redeemable at par as below:

> 50% at the end of 4 years from the date of allotment

> Remaining 50% at the end of 5 years from the date of allotment.

(c) Preference shares carry a fixed cumulative dividend @ 9% per annum.

(iv) The details of shareholders holding more than 5 % of issued share capital as on March 31, 2016 is set out below:

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	%	No. of Shares	%
Equity Shares				
Girish N. Patel	18 00 000	20.41%	12 00 000	18.79%
Vimal Khandwala	12 29 812	13.94%	7 50 000	11.74%
Rajesh Khandwala	12 29 803	13.94%	7 50 000	11.74%
Sandeep Mittal	5 40 000	6.12%	4 50 000	7.04%
Preference Shares				
Small Industries Development Bank of India	30 00 000	100.00%	30 00 000	100.00%

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

(v) No shares were reserved at the year-end for issue under options and contracts / commitments for the sale of shares / disinvestment.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

3 Reserves and Surplus

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium		
As per Last Balance Sheet	65 00 000	65 00 000
Add: Premium received during the year	3 16 10 943	-
Closing Balance	3 81 10 943	65 00 000
General Reserve		
As per Last Balance Sheet	60 000	60 000
Statutory Reserve*		
As per Last Balance Sheet	47 43 863	18 53 493
Add: Amount transferred from the surplus balance of profit & loss	37 52 269	28 90 370
Closing Balance	84 96 132	47 43 863
Surplus		
Surplus at the beginning of the year	1 31 17 826	63 43 708
Add: Net Profit after tax transferred from Statement of Profit and Loss	1 87 61 347	1 44 51 848
	3 18 79 173	2 07 95 556
Less : Appropriation		
Transfer to statutory reserve*	37 52 269	28 90 370
Dividend on Equity Shares	17 63 923	12 77 600
Dividend on redeemable preference shares	27 00 000	27 00 000
Tax on dividend	9 08 765	8 09 760
	91 24 957	76 77 730
Surplus at the end of the year	2 27 54 216	1 31 17 826
Total	**6 94 21 291**	**2 44 21 689**

* As required by Sec 45 - IC of Reserve Bank of India Act, 1934

4 Long Term Borrowings

(Amount in ₹)

Particulars	Non- current portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Secured				
(A) Term loans from:				
-Banks	1 91 66 674	6 89 64 230	11 02 14 217	10 68 87 578
-Others	20 81 64 902	9 61 61 634	57 46 69 790	33 26 67 469
(B) Non Convertible Debentures	7 08 33 400	7 91 66 800	17 91 66 800	12 50 00 000
(C) Vehicle Loan	5 41 874	14 44 519	9 04 818	8 26 375
Total	**29 87 06 850**	**24 57 37 183**	**86 49 55 626**	**56 53 81 422**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

Details of Security , terms of repayment, interest rates and other terms and conditions in respect of Long Term loans are as under:

	Security details	Interest rate	Terms of Repayment
(A)	**Term Loan**		
	DCB Bank		
	Exclusive Charges by way of Hypothication on all Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 10% of the loan amount	Base rate + 3.15%	Principal repayable by 16 equal monthly installments starting from 3rd month of disbursement.
	Dena Bank		
	Exclusive Charges by way of Hypothication on all Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 10% to 15% of the Loan Amount	Base rate + 3.5%	Principal repayable by 12 equal quarterly installments commencing from next quarter after first disbursement.
	Gruh Finance Limited		
	Exclusive Charges by way of Hypothication on 110% of Book Debts and against pledge of Fixed Deposit of 10% of the loan amount	Non housing prime lending rate (NHPLR) -3.50%	Principal repayable by 36 equal monthly installments.
	IFMR Capital Finance Private Limited		
	Exclusive Charges by way of Hypothication on Book Debts / loan Assets, both present and future created/to be created out of loan and against pledge of Fixed Deposit of 5% to 7.5% of the loan amount	14.9% to 15.25%	Principal repayable by 18 monthly installments.
	Mas Financial Services Limited		
	Exclusive Charges by way of Hypothication on Book Debts / loan Assets, both present and future created/to be created out of loan and against pledge of Fixed Deposit of 0% to 12.5% of the loan amount	MAS PLR + 0% to 0.75%	Principal repayable by 20 to 24 equal monthly installments as per Loan sanction Document.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

Security details	Interest rate	Terms of Repayment
Ratnakar Bank Limited		
Exclusive Charges by way of Hypothication on 110% of Book Debts / loan Assets, both present and future created/to be created out of loan and against pledge of Fixed Deposit of 5% of loan amount	Base Rate + 3.25%	Principal repayable by 8 equal quarterly installments commencing from 3 months after first disbursement.
Reliance Capital Limited		
Exclusive Charges by way of Hypothication on Book Debts / loan Assets, both present and future created/to be created out of loan and against pledge of Fixed Deposit of 10% of the loan amount	14.50% to 14.75% p.a.(Floating)	Principal repayable in 16 to 18 equal monthly installments as per Loan sanction Document.
Religare Finvest Limited		
Exclusive Charges by way of Hypothication on all 110 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 10% of the loan amount	15.00% p.a.	Principal repayable in 22 equal monthly installments.
Au Finaciers (India) Limited		
Exclusive Charges by way of Hypothication on all 105 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit up to 10% of the loan amount	14.90% to 15.25% p.a.	Principal repayable in 12 to 16 equal monthly installments.
Radaur Holdings Private Limited		
Exclusive Charges by way of Hypothication on all 110 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit upto 10% of the loan amount	15.25% p.a.	Principal repayable in 24 equal monthly installments.
Maanaveeya Development & Finance Private Limited		
Exclusive Charges by way of Hypothication on all 105 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 10% of the loan amount	15.00% p.a.	Principal repayable in 8 equal quarterly installments commencing from 3 months after first disbursement.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Security details	Interest rate	Terms of Repayment
IDBI Bank Limited		
Exclusive Charges by way of Hypothication on all 110 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 10% of the loan amount	Base Rate + 3.5%	Principal repayable by 24 equal monthly installments starting from 3rd month of disbursement.
(B) Non Convertible Debentures		
Hinduja Leyland Finance Limited		
Exclusive Charges by way of Hypothication on Book Debts / loan Assets, both present and future equivalent to 100% to 110% of Debenture Value.	12.78% to 13.9% (Yield)	Principal repayable by 24 monthly installment
(C) Vehicle Loans		
HDFC Bank Limited		
Exclusive charge by way of Hypothecation of the vehicle	10.26% to 13.54%	Principal repayable in 36 monthly installment

5 Provisions

(Amount in ₹)

Particulars	Long -term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Other Provision				
Provision for Gratuity	9 64 406	-	-	-
Income Taxes (Net of Advance)	-	-	15 09 484	6 69 463
Proposed Dividend :				
Equity Shares	-	-	17 63 923	12 77 600
Preference Shares	-	-	27 00 000	27 00 000
	9 64 406	-	**44 63 923**	**39 77 600**
Tax on Dividend :				
Equity Shares	-	-	3 59 099	2 60 094
Preference Shares	-	-	5 49 666	5 49 666
	-	-	**9 08 765**	**8 09 760**
Loans:				
-Standard Assets	20 16 321	8 01 540	63 85 743	39 70 943
-Non Performing Assets	19 37 939	8 54 897	-	-
-Securitised/Managed portfolio	9 22 625	6 20 995	-	-
	48 76 885	**22 77 432**	**63 85 743**	**39 70 943**
Total	**58 41 291**	**22 77 432**	**1 32 67 915**	**94 27 766**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

6 Short -Term Borrowings

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Working Capital Loan from Bank	3 90 30 910	3 49 92 557
Short-term loans from:		
- Others		-
Total	**3 90 30 910**	**3 49 92 557**

Security details	Interest rate	Terms of Repayment
State Bank of India		
Exclusive Hypothication charge over specific pool of receivables/book debts created out of Bank finance	Base Rate + 3%	Not Applicable

7 Other Current Liabilities

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long Term Debt(Refer Note No 4)		
Term Loan		
-From Banks	11 02 14 217	10 68 87 578
From Others	57 46 69 790	33 26 67 469
Non Convertible Debenture	17 91 66 800	12 50 00 000
Vehicle Loans	9,04,818	8 26 375
	86 49 55 626	56 53 81 422
Interest accrued but not due on borrowings	34 30 403	38 78 111
Payable towards securitisation	86 16 207	2 09 43 833
Statutory dues	28 44 384	19 43 756
Unamortised gain on securitisation	66 44 182	39 00 798
Others	6 25 130	5 43 363
Total	**88 71 15 932**	**59 65 91 283**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

8 Fixed assets

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	As on April 1, 2015	Additions	Deduction	As on March 31, 2016	Up to March 31,2015	For the Year	Deduction	Up to March 31,2016	As on March 31, 2016	As on March 31, 2015
(i) Tangible Assets										
Furniture & Fixtures	10 00 778	1 34 065	-	11 34 843	2 49 816	1 04 505	-	3 54 321	7 80 522	7 50 962
Computers	14 50 109	2 76 190	-	17 26 299	8 26 910	3 12 077	-	11 38 987	5 87 312	6 23 200
Vehicles*	31 85 358	-	-	31 85 358	1 90 047	3 78 261	-	5 68 308	26 17 050	29 95 311
Office Equipments	4 21 995	3 46 050	-	7 68 045	1 13 368	95 557	-	2 09 025	5 59 020	3 08 627
Total (A)	60 58 240	7 56 305	-	68 14 545	13 80 141	8 90 500	-	22 70 641	45 43 904	46 78 100
Previous Year	16 19 607	45 08 656	70 023	60 58 240	7 82 515	6 55 454	57 828	13 80 141	46 78 100	
(ii) Intangible Assets										
Software	10 42 016	7 00 000	-	17 42 016	5 24 690	5 09 001	-	10 33 691	7 08 325	5 17 326
Total (B)	10 42 016	7 00 000	-	17 42 016	5 24 690	5 09 001	-	10 33 691	7 08 325	5 17 326
Previous Year	10 67 824	5 14 500	5 40 308	10 42 016	8 17 701	2 47 297	5 40 308	5 24 690	5 17 326	
Total (A) + (B)	**71 00 256**	**14 56 305**	**-**	**85 56 561**	**19 04 831**	**13 99 501**	**-**	**33 04 332**	**52 52 229**	**51 95 426**
Previous Year	26 87 431	50 23 156	6 10 331	71 00 256	16 00 216	9 02 751	5 98 136	19 04 831	51 95 426	

* Vehicles having Gross Value of Rs. 31,51,403/- are registered in the name of Directors of the company.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

9 Deferred tax Assets:

In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the Company has Deferred Tax Liabilities of ₹ 2,01,526/- (March 31, 2015: ₹ 1,32,072/-) and Deferred Tax Assets of ₹9,45,788/- (March 31, 2015: ₹ 4,87,974/-).

The components of Deferred Tax Assets and Liabilities are as under: (Amount in ₹)

Particulars		As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability			
Difference between book and tax depreciation		2 01 526	1 32 072
Deferred Tax Liability	**(ii)**	**2 01 526**	**1 32 072**
Deferred Tax Assets			
Provision for Non Performing Assets		9 45 788	4 87 974
Deferred Tax Assets	**(i)**	**9 45 788**	**4 87 974**
Net Deferred Tax Assets	**(i)-(ii)**	**7 44 262**	**3 55 902**

10 Loans and Advances:

(Amount in ₹)

	Particulars	Non Current		Current	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(i)	**Portfolio Loans**				
	Unsecured, considered good				
	Loan given to JLG	24 37 39 872	7 72 75 409	76 92 96 552	51 15 05 940
	Loan given to consumer and Individuals	85 37 429	1 15 14 407	3 56 63 015	
		25 22 77 301	8 87 89 816	80 49 59 567	51 15 05 940
	Unsercured, considered doubtful				
	Loan given to JLG	24 70 525	18 29 523	-	-
	Loan given to consumer and Individuals	7 44 321	60 682	-	-
		32 14 846	18 90 205	-	-
	Total	**25 54 92 147**	**9 06 80 021**	**80 49 59 567**	**51 15 05 940**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

(ii) **Others** (Amount in ₹)

Particulars	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
A. Advance for Capital Items	-	3 50 000	-	-
B. Security Deposits*				
Unsecured, Considered good	2 55 00 000	3 01 27 833	80 00 000	1 55 12 679
C. Other Loans and Advance				
Unsecured, considered good				
Prepaid Expenses	-	-	18 11 323	16 87 828
Staff Advances	-	-	12 35 303	1 57 886
Other deposits	12 37 950	2 34 350	3 29 600	2 51 368
Others	-	4 083	21 09 154	40 24 277
Total	**2 67 37 950**	**3 07 16 266**	**1 34 85 380**	**2 16 34 038**
* Includes Security deposits held as security against borrowings				
Total	**28 22 30 097**	**12 13 96 287**	**81 84 44 947**	**53 31 39 978**

11 Other Assets

(Amount in ₹)

Particulars	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Non Current bank Balance	4 42 45 778	3 08 63 512	-	-
Interest accrued but not due on portfolio loans	-	-	1 74 63 229	86 29 011
Interest accrued but not due on security deposit	26 11 616	13 95 769	45 65 031	54 97 046
Total	**4 68 57 394**	**3 22 59 281**	**2 20 28 260**	**1 41 26 057**

12 Trade Receivables:

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period of six months or less from the date they are due for payment		
Unsecured, considered good	6 07 371	1 33 416
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	19 927	19 927
Total	**6 27 298**	**1 53 343**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ending on March 31, 2016

13 Cash & Bank Balances:

(Amount in ₹)

Particulars	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents				
- In current accounts	-	-	11 74 71 725	6 20 85 138
-In Deposit Account with Maturity less than three months	-	-	9 15 00 000	21 00 00 002
Cash on hand	-	-	6 87 308	1 33 963
	-	-	20 96 59 033	27 22 19 103
Other bank Balances				
- In fixed deposit accounts held as security against borrowings from banks **	4 42 45 778	3 08 63 512	5 25 07 910	3 18 61 123
	4 42 45 778	3 08 63 512	5 25 07 910	3 18 61 123
Amount disclosed under non current assets (Refer Note 11)	(4 42 45 778)	(3 08 63 512)	-	-
Total	**-**	**-**	**26 21 66 943**	**30 40 80 226**

** Represents margin money deposits placed to avail term loans from banks and others and as cash collateral in connection with securitization transactions.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ended March 31,2016

(Amount in ₹)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
14 Revenue from Operations:		
Interest income on:		
Portfolio Loans	21 18 15 021	14 09 58 450
Others*	1 21 37 365	88 39 945
	22 39 52 386	14 97 98 395
Processing Fees	1 46 45 462	91 68 691
Income from securitization /assignment of Loans	85 47 269	84 49 317
Other Operating Income	57 59 896	1 51 151
Total	**25 29 05 013**	**16 75 67 554**

* Represents interest on margin money deposits placed to avail term loans from banks & others and as cash collateral in connection with securtisation transactions.

15 Other Income:		
Gain on sale of units of Mutual Fund (net)	47 70 742	30 80 115
Others	6 38 272	1 43 468
Prior Period Income	8 74 846	-
Total	**62 83 860**	**32 23 582**
16 Finance Costs:		
Interest on:		
Term Loans from Banks and others	12 48 98 239	8 18 28 752
Cash Credit	7 56 999	4 74 650
	12 56 55 238	8 23 03 403
Securitisation Charges	16 10 595	3 55 823
Loan Processing Fees	83 01 500	52 87 506
Debenture issue Expenses	42 18 900	28 90 490
Total	**13 97 86 233**	**9 08 37 222**
17 Employee benefits expense :		
Salaries, wages and other benefits	4 80 25 509	3 22 98 676
Contribution to provident fund and ESIC	29 62 477	19 82 995
Staff Welfare	15 02 304	14 37 148
Total	**5 24 90 290**	**3 57 18 819**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ended March 31,2016

(Amount in ₹)

	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
18	**Other expenses:**		
	Rent	38 41 514	22 76 756
	Rates & Taxes	15 93 496	9 61 560
	Insurance	4 94 285	2 95 120
	Repair and Maintenance	1 77 090	1 09 792
	Electricity Expenses	4 51 453	2 29 946
	Stamp Duty and Filling Fees	40 58 455	18 06 576
	Legal and Professional fees	26 77 850	42 80 842
	Software Maintenance Charges	19 90 000	10 13 000
	Travelling and Conveyance	60 14 048	38 98 352
	Telephone and Postage	16 46 806	7 87 809
	Bank Charges	5 77 978	64 709
	Directors Siting fees	90 000	34 000
	Auditors' remuneration**	3 17 300	2 36 000
	Printing and Stationery	13 35 822	8 62 404
	Customer Credit & information Fees	5 09 777	3 02 033
	Advertisement expenses	1 61 637	1 60 088
	Entertainment expense	4 74 940	2 97 064
	Listing Fees (Debentures)	90 691	34 583
	Miscellaneous expenses	17 55 278	13 07 150
	Total	**2 82 58 420**	**1 89 57 785**
	****Auditors' remuneration comprises of the following:**		
	Payment to Auditors:		
	- as Statutory Auditor	2 00 000	1 70 000
	- as Tax Auditor	40 000	34 000
	- for other services	77 300	32 000
	Total	**3 17 300**	**2 36 000**
19	**Provisions and write offs**		
	Provision for Standard Assets	36 29 582	7 17 945
	Provision on Securitised/Managed portfolio	3 01 630	6 20 995
	Provision for Non Performing Assets	10 83 042	3 69 580
	Asset Written Off	18 87 188	5 82 261
	Total	**69 01 442**	**22 90 781**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

20 Earning Per Share (EPS):

Earnings per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year which is as under :

(Amount in ₹)

Particulars	Unit	2015-16	2014-15
		Basic and Diluted	
Profit available to Equity Shareholders	Amount in ₹	1 55 11 681	1 12 02 182
Weighted average of number of equity shares outstanding during	in Nos.	74 32 270	63 88 000
Earning per share of face value	₹	2.09	1.75

21 Contingent liabilities not provided for

Particulars	2015-16	2014-15
Cash collaterals given and outstanding for the assigned	1 08 41 000	1 74 74 615
Cash collaterals given and outstanding pursuant to service provider agreement	60 00 000	15 00 000

22 Employee benefits:

Disclosures envisaged in Accounting Standard (AS) 15 – Employee Benefits as given below:

(i) Defined Benefit Plan:

The Company has funded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Consequent to the adoption of AS 15 'Employee Benefits' specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies(Accounts) Rules, 2014, the following disclosures have been made as required by the standard:

(Amount in ₹)

Particulars	Year ended March 31,2016	Year ended March 31,2015
Net employee benefit expense recognized in Statement of Profit & Loss		
Current service cost	4 61 986	2 43 621
Interest cost on benefit obligation	76 740	(280)
Expected return on plan assets	44 027	-
Net actuarial loss recognised in the year	5 12 216	2 02 529
Past service cost	-	-
Net benefit expense	**10 94 969**	**4 45 870**

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Particulars	As at March 31,2016	As at March 31,2015
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	9 59 254	4 81 150
Interest cost	76 740	44 795
Current service cost	4 61 986	2 43 621
Actuarial (gains) / losses on obligation	5 12 216	1 89 688
Benefits Paid	(3 02 885)	
Closing defined benefit obligation	**17 07 311**	**9 59 254**
Changes in Plan Asset:		
Fair Value of Plan Assets at the Beginning of the Year	9 63 337	5 18 104
Expected Returns on Plan Assets	44 027	45 075
Employer's Contribution	26 409	4 12 999
Benefits Paid	(3 02 885)	-
Actuarial Gains/ Losses	12 017	(12 841)
Fair Value of Plan Asset at the end of the year**	**7 42 905**	**9 63 337**
Amount Recognised in Balance Sheet		
Defined benefit obligation	17 07 311	9 59 254
Fair value of plan assets	7 42 905	9 63 337
Plan asset / (liability)	**(9 64 406)**	**4 083**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	2015-16	2014-15
Discount Rate per annum	7.95%	8.00%
Expected salary increase per annum	7.00%	7.00%
Attrition rate	2% at each age	2% at each age
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

** The Plan Asset is managed by LIC of India.

(ii) Defined Contribution Plan:

Contribution to Provident Fund and ESIC are included in note 17 "Employee benefits expense" includes ₹ 29,62,477/- (PY ₹ 19,82,995/-) being expenses debited under defined contribution plan.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

23 Segment Information:

The Company is engaged in the business of providing micro finance services by way of loans to women who are organized as Joint Liability Groups ('JLG') and individuals in the urban areas of Gujarat and Maharashtra. Thus, the Company has only one reportable segment.
Further, the Company operates in a single geographical segment i.e. domestic.

24 Related Party Disclosures:

Related party disclosures as required under the Accounting Standard (AS) – 18 on "Related Party Disclosures" notified in Companies (Accounting Standards) Rules, 2006 are given below:

(a) Name of the related parties and description of relationship :

Description of Relationship	Designation	Name of the Related Party
Key Management Personnel	Director	Mr. Padmanabh P Vora
	Director	Ms. Daksha N Shah
	Director	Ms. Purvi J Bhavsar
	Director	Mr. Kartik Mehta
	Chief Financial Officer (wef 15/10/2015)	Mr. Chintan Desai
	Chief Financial Officer (upto 14/10/2015)	Ms.Urvi Dharaiya
	Company Secretary	Ms.Nikita Sharma

(b) Details of Transactions with Related Parties during the year:

(Amount in ₹)

Particulars	2015-16	2014-15
(i) Managerial Remuneration		
Ms. Daksha N Shah	24 32 897	26 18 968
Ms. Purvi J Bhavsar	28 44 000	25 88 506
Mr. Kartik Mehta	28 44 000	26 31 846
(ii) Remuneration		
Ms.Urvi Dharaiya	5 14 677	3 57 333
Mr. Chintan Desai	6 12 700	-
Ms.Nikita Sharma	2 29 000	5 529
(iii) Professional Fees (Including reimbursement))		
Mr. Padmanabh P Vora	4 99 320	-

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ended March 31,2016

25 Leases

Registered office and branch office premises are obtained on operating lease.The branch office premises are generally rented on cancellable term for 11 months. The registered office premise has been obtained on a lease term of 5 years without any escalation clause. The said lease is non-cancellable for a period of 2 years. There are no subleases. Lease Payments during the year are charged to statement of profit and loss.

Particulars	2015 16	2014 15
Operating lease expenses recognised in the statement of profit and loss(both cancellable and non-cancellable leases)	38 41 514	22 76 756
Minimum lease obligation for non-cancellable lease		
Not later than one year	15 00 000	-
Later than one year but less than five years	11 87 500	-

26 Dues to Micro, Small and Medium Enterprises

There are no amount that needs to be disclosed in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 (the "MSME") pertaining to Micro or small enterprise.

For the year ended March 31,2016, no supplier has intimated the company about its status as Micro or small enterprise or its registartion with the appropriate authority under MSMED.

27 Movement of Provisions during the year: (Amount in ₹)

Particulars	Standard Assets	Non Performing Assets	Securitised Portfolio
Balance at the beginning	47 72 483	8 54 897	6 20 995
Reversed During the Year	(47 72 483)	(8 54 897)	(6 20 995)
Recognized during the Year	84 02 064	19 37 939	9 22 625
Balance at the End	**84 02 064**	**19 37 939**	**9 22 625**

28 Previous year figures:

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to facilitate comparability with current year's figures.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited
Notes forming part of Financial Statements for the year ended March 31,2016

29 Loan Portfolio and Provisioning for Standard and Non Performing Assets:

(Amount in ₹)

Classification	Portfolio Loan Outstanding (Gross)		Provision for Standard and Non performing Assets		Portfolio Loan Outstanding (Net)	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Standard Assets	105 72 36 868	60 02 95 756	84 02 064	47 72 483	104 88 34 804	59 55 23 273
Non Performing Assets	32 14 846	18 90 205	19 37 939	8 54 897	12 76 907	10 35 308
Total	**106 04 51 714**	**60 21 85 961**	**1 03 40 003**	**56 27 380**	**105 01 11 711**	**59 65 58 581**

30 Capital to Risk Assets ratio (CRAR) (Computed as per method prescribed by RBI)

Particulars	% as at 31/03/2016	% as at 31/03/2015
CRAR (%)	16.34	15.61
CRAR- Tier I Capital(%)	13.41	11.73
CRAR- Tier II Capital(%)	2.93	3.88

31 The Company has no exposure to the real estate sector direcly or indirectly in the current and previous year.

32 The company has not disbursed any loans against security of gold.

33 Details of Average Interest paid on Borrowings and charged on loans given to JLG:

The details of Average Interest Rate on Borrowings and charged on loans during the Financial Year 2015-16 is as under:

Particulars	2015-16	2014-15
Average Interest Rate on Loans given (A)	26.52%	26.39%
Average effective cost of Borrowing (B)	15.18%	15.57%
Net Interest Margin (A-B)	11.34%	10.82%

34 Assignment / securitization of loans:

During the year the Company has sold loans through direct assignment / securitisation. The information on direct assignment activity of the Company as an originator is as shown below:

(Amount in ₹)

(a)

Particulars	Year ended March 31,2016	Year ended March 31,2015
Total number of loans assigned/securitised	11 188	21 245
Total book value of loans assigned/securitized	20 95 32 661	24 72 56 161
Sale consideration received for loans assigned/ securitized	22 09 39 496	28 00 16 373
Income recognised in the statement of profit and loss	85 47 269	84 49 317
Balance of loans assigned /securitized as at the balance sheet date	9 22 62 519	11 79 55 796
Cash Collateral provided and outstanding as at the balance sheet date	1 08 41 890	1 74 74 615

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

(b)

Sr No	Particulars	Year ended March 31,2016	Year ended March 31,2015
1	No of SPVs sponsored by the NBFC for securitisation transactions	3	6
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	10 47 52 225	8 23 19 347
3	Total amount of exposures retained by the NBFC to comply with		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss	1 08 41 890	1 74 74 615
	- Others		
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-

35 As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the following information is given.

I. Liabilities side (Amount in ₹)

Sr. No.	Particulars	Total Amount Outstanding	Amount Overdue
1)	**Loans and Advances availed by the non- banking financial company inclusive of interest accrued thereon and not paid**		
a)	Debentures :		
	- Secured	-	-
	- Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
b)	Deferred Credits	-	-
c)	Term Loans	116 36 62 475	-
d)	Inter-corporate loans and borrowing	-	-
e)	Commercial Paper	-	-
f)	Other Loans	3 49 92 557	-

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS
Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited

Notes forming part of Financial Statements for the year ended March 31,2016

II.	Assets side	(Amount in ₹)
Sr.	**Particulars**	**Amount**
2)	**Break up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
a)	Secured	-
b)	Unsecured	106 04 51 714
3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**	
i	Lease assets including lease rentals under sundry debtors :	
	a) Financial lease	
	b) Operating lease	
ii	Stock on hire including hire charges under sundry debtors:	Nil
	a) Assets on hire	
	b) Repossessed Assets	
iii	Other loans counting towards AFC activities :	
	a) Loans where assets have been repossessed	
	b) Loans other than (a) above	
4)	**Break- up of Investments:**	
	Current Investments	
I	**Quoted**	
i	Shares	
	a) Equity	
	b) Preference	
ii	Debenture and Bonds	
iii	Units of Mutual Funds	
iv	Government Securities	Nil
v	Others	
II	**Unquoted**	
i	Shares	
	a) Equity	
	b) Preference	
ii	Debenture and Bonds	
iii	Units of Mutual Funds	
iv	Government Securities	
v	Others	
	Long Term Investments	
I	**Quoted**	
i	Shares	
	a) Equity	
	b) Preference	Nil
ii	Debenture and Bonds	
iii	Units of Mutual Funds	
iv	Government Securities	
v	Others	
II	**Unquoted**	
i	Shares	
	a) Equity	
	b) Preference	
ii	Debenture and Bonds	
iii	Units of Mutual Funds	
iv	Government Securities	
v	Others	Nil

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Private Limited
Notes forming part of Financial Statements for the year ended March 31,2016

5) Borrower group-wise classification of assets financed as in (2) and (3) above : (Amount in ₹)

	Category	Amount net of Provision		
		Secured	Unsecured	Total
1	Related Parties			
	a) Subsidiaries	-	-	-
	b) Companies in the same group	-	-	-
	c) Other related parties	-	-	-
2	Other than related parties	-	105 01 11 711	105 01 11 711
	Total	-	**105 01 11 711**	**105 01 11 711**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(Amount in ₹)

	Category	Market Value/ Break up or Fair Value or NAV	Book Value (Net of Provisions)
1	Related Parties		
	a) Subsidiaries	-	-
	b) Companies in the same group	-	-
	c) Other related parties	-	-
2	Other than related parties	-	-
	Total	-	-

7) Other Information (Amount in ₹)

	Particulars	
(i)	Gross Non- Performing Assets	
	a) Related Parties	
	b) Other than related parties	32 14 846
(ii)	Net Non- Performing Assets	
	a) Related Parties	-
	b) Other than related parties	12 76 907
(iii)	Assets acquired in satisfaction of Debts	-

As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
Firm Reg.No. 106041W/W100136

(Jignesh D. Shah)
Partner
Membership No. 100116

Place: Ahmedabad
Date: May 26,2016

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board

Managing Director DIN. 02083342

Director DIN.02102740

Chief Financial Officer

Company Secretary

Place: Ahmedabad
Date: May 26,2016

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

30.05.2016

PFSPL/2016-17 /23

To
The Manager
BSE Limited,
Floor 25, P J Towers
Dalal Street
Mumbai- 400001

Sub: Issue of Non-Convertible Debentures ("NCDs") aggregating to INR 10 Crs – Statutory Compliance – Half Yearly Report for the half year ending March 31, 2016

Dear Sir / Madam,

With reference to cited subject please find below details as required: –

1. Asset Cover Ratio : 1.20 times
2. Debt Equity Ratio: 7.95 times
3. Net Worth: Rs. 18,76,17,401
4. Net Profit After Tax: Rs. 1,87,61,347
5. Earnings Per Share: 2.09
6. Kindly note –

   Updated list of the name and address of the Debenture holder as per BENPOS as on 26.05.2017:

Name of Debenture Holder	Address
Hinduja Leyland Finance Limited	No 27 A Developed Industrial Estate South Phase, Guindy Chennai-600032

7. Details of redemption and payment of interest during half year ending 31.03.2016

Series/Tranche	Type of payment		Due date of payment	Amount	Actual date of payment
	Principal	Interest			
13.9% Pahal Financial Services Private Limited 2016	4,166,800.00	313,681.27	15.10.2015	4,480,481.27	09.10.2015

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

13.9% Pahal Financial Services Private Limited 2016	4,166,600.00	277,880.34	15.11.2015	4,444,480.34	09.11.2015
13.9% Pahal Financial Services Private Limited 2016	4,166,600.00	224,057.75	15.12.2015	4,390,657.75	10.12.2015
13.9% Pahal Financial Services Private Limited 2016	4,166,800.00	185,255.04	15.01.2016	4,352,055.04	08.01.2016
13.9% Pahal Financial Services Private Limited 2016	4,166,600.00	138,940.17	15.02.2016	4,305,540.17	10.02.2016
13.9% Pahal Financial Services Private Limited 2016	4,166,600.00	86,620.61	15.03.2016	4,253,220.61	10.03.2016

8. Next due date for the payment of interest for non-convertible debenture and the redemption amount:

Series/Tranche	**Type of payment**		**Due date of payment**	**Amount**
	Principal	**Interest**		
13.9% Pahal Financial Services Private Limited 2016	4,166,800.00	46,314.87	15.04.2016	42,13,114.87

9. Creation of Debenture Redemption Reserve (DRR) is not applicable to our Company vide Circular No. 04/2013 of Ministry of Corporate Affairs. Circular is already shared to you.

Thanking you.
For, Pahal Financial Services Private Limited

Kartik S Mehta
(Managing Director)

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

Countersigned by:

For GDA Trusteeship Ltd
Debenture Trustees

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

30.05.2016
PFSPL/2016-17/२२

To
The Manager
BSE Limited,
Floor 25, P J Towers
Dalal Street
Mumbai- 400001

Sub: Issue of Non-Convertible Debentures ("NCDs") aggregating to INR 15 Crs – Statutory Compliance – Half Yearly Report for the half year ending March 31, 2016

Dear Sir / Madam,

With reference to cited subject please find below details as required: –

1. Asset Cover Ratio : 1.20 times
2. Debt Equity Ratio: 7.95 times
3. Net Worth: Rs. 18,76,17,401
4. Net Profit After Tax: Rs. 1,87,61,347
5. Earnings Per Share: 2.09
6. Kindly note –
   Updated list of the name and address of the Debenture holder as per BENPOS as on 26.05.2016:

Name of Debenture Holder	Address
Hinduja Leyland Finance Limited	No 27 A Developed Industrial Estate South Phase, Guindy Chennai-600032

7. Details of redemption and payment of interest during half year ending 31.03.2016

Series/Tranche	Type of payment		Due date of payment	Amount	Actual date of payment
	Principal	Interest			
12.78% Pahal Financial Services Private Limited	4,166,600	827,161	25-03-2016	4,993,761	22.03.2016

Pahal Financial Services Pvt. Ltd. * PFSPL

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

8. Next due date for the payment of interest for non-convertible debenture and the redemption amount:

Series/Tranche	Type of payment		Next Due date of payment	Amount
	Principal	Interest		
12.78% Pahal Financial Services Private Limited	4,166,700	1,044,864	27.04.2016	5,211,564
12.78% Pahal Financial Services Private Limited	4,166,700	908,128	27.05.2016	5,074,828
12.78% Pahal Financial Services Private Limited	4,166,600	895,892	27.06.2016	5,062,492
12.78% Pahal Financial Services Private Limited	4,166,700	825,572	27.07.2016	4,992,272
12.78% Pahal Financial Services Private Limited	4,166,700	784,293	26.08.2016	4,950,993
12.78% Pahal Financial Services Private Limited	4,166,600	792,809	27.09.2016	4,959,409

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

9. Creation of Debenture Redemption Reserve (DRR) is not applicable to our Company vide Circular No. 04/2013 of Ministry of Corporate Affairs. Circular is already shared to you.

Thanking you.
For, Pahal Financial Services Private Limited

Kartik S Mehta
(Managing Director)

Countersigned by:

For GDA Trusteeship Ltd
Debenture Trustees

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

30.05.2016
PFSPL/2016-17/ 21

To
The Manager
BSE Limited,
Floor 25, P J Towers
Dalal Street
Mumbai- 400001

Sub: Issue of Non-Convertible Debentures ("NCDs") aggregating to INR 15 Crs – Statutory Compliance – Half Yearly Report for the half year ending March 31, 2016

Dear Sir / Madam,

With reference to cited subject please find below details as required: –

1. Asset Cover Ratio : 1.20 times
2. Debt Equity Ratio: 7.95 times
3. Net Worth: Rs. 18,76,17,401
4. Net Profit After Tax: Rs. 1,87,61,347
5. Earnings Per Share: 2.09
6. Kindly note –

   Updated list of the name and address of the Debenture holder as per BENPOS as on 26.05.2016:

Name of Debenture Holder	Address
Hinduja Leyland Finance Limited	No 27 A Developed Industrial Estate South Phase, Guindy Chennai-600032

7. Details of redemption and payment of interest during half year ending 31.03.2016

Series/Tranche	Type of payment		Due date of payment	Amount	Actual date of payment
	Principal	Interest			
13.5% Pahal Financial Services Private Limited 2017	6,249,900.00	1,177,033	23.10.2015	7,426,933	20.10.2015

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	1,148,898	23.11.2015	7,398,948	19.11.2015
13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	1,046,252	23.12.2015	7,296,302	19.12.2015
13.5% Pahal Financial Services Private Limited 2017	6,249,900.00	1,079,510	25.01.2016	7,329,410	20.01.2016
13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	884,802	23.02.2016	7,134,852	18.02.2016
13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	821,601	23.03.2016	7,071,651	18.03.2016

8. Next due date for the payment of interest for non-convertible debenture and the redemption amount:

Series/Tranche	**Type of payment**		**Next Due date of payment**	**Amount**
	Principal	**Interest**		
13.5% Pahal Financial Services Private Limited 2017	6,249,900.00	863,608.00	25.04.2016	7,113,508
13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	671,113.00	23.05.2016	6,921,163
13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	675,822.00	23.06.2016	6,925,872
13.5% Pahal Financial Services Private Limited 2017	6,249,900.00	627,969.00	25.07.2016	6,877,869
13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	505,601.00	23.08.2016	6,755,651
13.5% Pahal Financial Services Private Limited 2017	6,250,050.00	473,076.00	23.09.2016	6,723,126

Pahal Financial Services Pvt. Ltd. PFSPL

Pahal Financial Services Pvt. Ltd.
CIN : U65910GJ1994PTC082668
Ph.: 079-40373857 ● Email: pahalho@gmail.com ● Website: www.pahalfinance.com

9. Creation of Debenture Redemption Reserve (DRR) is not applicable to our Company vide Circular No. 04/2013 of Ministry of Corporate Affairs. Circular is already shared to you.

Thanking you.
For, Pahal Financial Services Private Limited

Kartik S Mehta
(Managing Director)

Pahal Financial Services Pvt. Ltd. * PFSPL

Countersigned by:

For GDA Trusteeship Ltd
Debenture Trustees