

**PROVINCIAL FINANCE AND LEASING COMPANY
PRIVATE LIMITED**

**AUDIT REPORT
FY 2018-19**

Company Information

Board of Directors of M/s. Provincial Finance and Leasing Co. Private Limited

Mr. Naresh Kothari

Mr. Shreyans Mehta

Registered Office

34th floor, Sunshine tower , Senapati Bapat Marg , near Kamgar Krida Maidan , Dadar West , Mumbai 400013.

Auditors

M/s Ambavat Jain & Associates LLP

Chartered Accountants

5, Ground Floor, Onlooker Building,

14, Sir P. M. Road, Fort,

Mumbai - 400001

Bankers

Kotak Mahindra Bank

Provincial Finance and Leasing Co. Private Limited
34th Floor, Sunshine Towers, Senapati Bapat Marg, Dadar (w) Mumbai-400 013
CIN: U65923MH1993PTC075162

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year figures is given hereunder:

Particulars	2018-19 (Rs.)	2017-18 (Rs.)
Total Revenue	1,83,787	750
Profit before Interest, depreciation and Tax	(18,349)	(2,59,406)
Less: Interest Cost	-	-
Profit before Depreciation and Tax	(18,349)	(2,59,406)
Less: Depreciation	-	-
Profit before Tax	(18,349)	(2,59,406)
Less: Provision for Taxation	-	-
Profit after Tax	(18,349)	(2,59,406)
Add: Balance in Profit and Loss Account b/f	12,11,857	14,71,263
Less: Transfer to Provision for Standard Asset	(18,617)	-
Net Profit after tax and dividend	11,74,891	12,11,857
Less: Amount transferred to General Reserves	-	-
Balance carried to Balance Sheet	11,74,891	12,11,857
Earnings Per Share (Basic)	(0.01)	(0.32)
Earnings Per Share (Diluted)	(0.01)	(0.32)

2. DIVIDEND

No Dividend was declared for the current financial year due to loss incurred by the Company.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. BUSINESS OPERATIONS

The Company is engaged in the business of dealing & Investment in shares, securities and mutual funds and leasing business. The Company is registered with Reserve Bank of India as a Non-Banking Financial Company (NBFC).

5. MATERIAL CHANGES AND COMMITMENT

Provincial Finance and Leasing Co. Private Limited
34th Floor, Sunshine Towers, Senapati Bapat Marg, Dadar (w) Mumbai-400 013
CIN: U65923MH1993PTC075162

There have been no material changes and commitments affecting financial positions of the company that have occurred between the balance sheet date and date of this report.

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

6. INTERNAL FINANCIAL CONTROL

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Board of the Company had laid down policies, guidelines, procedures and structure to enable implementation of appropriate internal financial controls across the Company. These control processes enable and ensure the orderly and efficient conduct of Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation & disclosure of financial statements. These controls also identify the risks and provides for means to minimize / mitigate the risks affecting the business of the Company as a whole.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

8. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

9. AUDITORS

M/s Ambavat Jain & Associates LLP, Chartered Accountants, (FRN – 109681W) the Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

M/s Ambavat Jain & Associates LLP, Chartered Accountants, (FRN – 109681W) have granted their consent for appointment as Statutory Auditors of the Company and have confirmed their eligibility for being appointed as Statutory Auditors of the Company in terms of requirements prescribed under Companies Act, 2013. The Board of Directors of the Company recommends the appointment M/s Ambavat Jain & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company for approval of the Members at the forthcoming Annual General Meeting.

10. AUDITORS REPORT

The Report given by the Statutory Auditors for the Financial Statements for the year ended 31st March, 2019 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors Report to the Shareholders does not contain any reservation, qualification or any adverse remark.

11. SHARE CAPITAL

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2019 Company's paid-up share capital stood at Rs. 15,681,940/- divided into 15,68,194 equity shares of Rs. 10 each.

Provincial Finance and Leasing Co. Private Limited
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CIN: U65923MH1993PTC075162

12. EXTRACTS OF ANNUAL RETURN

The extract of Annual Return of the Company is annexed herewith as "Annexure 1" to this Report.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

i. Conservation of Energy

The energy Consumption is insignificant. However, the company has taken steps to conserve energy wherever possible

ii. Technology Absorption

The provisions relating to Research & Development and Technology Absorption are not applicable to our Company.

iii. Foreign Exchange Earnings and Outgo

There was no foreign exchange inflow or Outflow during the year under review.

14. CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

15. DIRECTORS

Details of the Directors on Board for the period from 01/04/2018 to 31/03/2019

Name of the Director	Designation/Category	Date of appointment	Date of resignation
Suneel Vohra	Director	17/07/2014	19/01/2019
Kanwer Vohra	Director	29/01/2016	19/01/2019
Naresh Kothari	Director	19/01/2019	NA
Shreyans Mehta	Director	19/01/2019	NA

16. MEETINGS OF THE BOARD

The Company had 6 Board meetings during the financial year under review.

17. LOANS, GURANTEES OR INVESTMENTS

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes forming part of the financial statements.

18. CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

19. REMUNERATION TO KEY MANAGERIAL PERSONNEL

No managerial remuneration has been paid during the year under review.

Provincial Finance and Leasing Co. Private Limited
34th Floor, Sunshine Towers, Senapati Bapat Marg, Dadar (w) Mumbai-400 013
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20. RISK MANAGEMENT

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

21. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

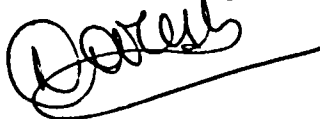
(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For. Provincial Finance & Leasing Company Pvt Ltd



Director

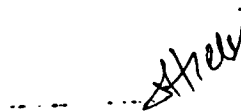
NARESH KOTHARI

Director

DIN : 00012523

Mumbai : 30th August 2019

For. Provincial Finance & Leasing Company Pvt Ltd.



Director

SHREYANS MEHTA

Director

DIN : 06756771

Independent Auditor's Report

To The Members of,
Provincial Finance and Leasing Company Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **Provincial Finance and Leasing Company Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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.

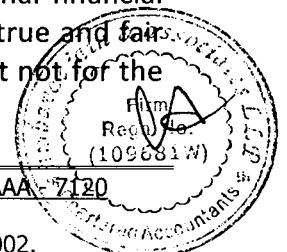
Auditor's Responsibility

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 there under.

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, but not for the



purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

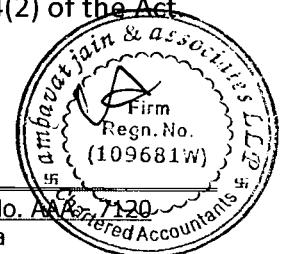
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 31st March, 2019, and its profit/loss for the period 01st April, 2018 to 31st March, 2019.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the said 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 paragraphs 3 and 4 of the said 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 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) As required by Section 143 (3)(i) of the Act, we report that:



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Ambavat Jain & Associates LLP

Chartered Accountants

The company is a private limited company

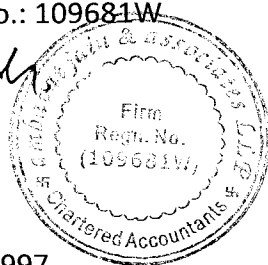
- i. having turnover of less than Rupees 50 crore for the year ended 31st March, 2019; and
 - ii. borrowing of the company from the Banks, Financial Institutions or any body corporate at any point of time during the financial year 2018-19 was less than Rupees 25 crore.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No.: 109681W

C. A. Shah



Chirag Shah

Partner

Membership No: 125997

UDIN: 19125997AAAAB0273

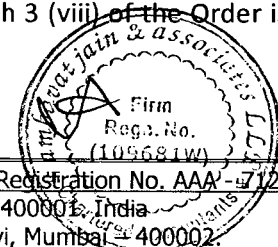
Place: Mumbai

Date: 30th August, 2019

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of "report on other Legal and Regulatory Requirements" of our report of even date to the members of Provincial Finance and Leasing Company Private Limited on the accounts for the year ended 31st March 2019)

- (i) The Company has no Fixed Assets accordingly paragraph 3(i) of the Order is not applicable.
- (ii) According to information and explanation given to us, the Company is engaged in providing financial services i.e. it is Loan company. Accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of order is not applicable.
- (iii) According to the 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company. The company being Loan Company, nothing contained in Section in Section 186 is applicable, except subsection (1) of that section.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company
- iv) In respect of statutory dues:
 - a) According to the books of account and records as produced and examined by us, in accordance with the accepted auditing practices and also management representations, in our opinion, the company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, goods and service tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities in India.
 - b) According to information and explanation given to us, no undisputed amounts payable in respect of income tax, goods and service tax, sales tax, wealth tax, custom duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - v) The Company does not have any loans and borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.



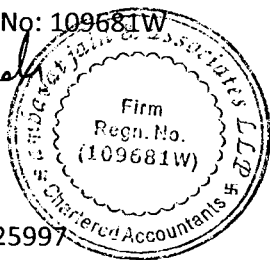
- vi) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (viii) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- vii) The Company, being a Private limited company, does not attract the provisions of Section 197 of the Act. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- viii) The Company, being a Private limited company, does not attract the provisions of Section 177 of the Act. Further company has not transacted any business covered u/s 188 of Companies act 2013.
- ix) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of order is not applicable.
- x) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of order is not applicable.
- xi) The Company has obtained a certificate of Registration under section 45-IA of the Reserve Bank of India Act, 1934.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No: 109681W

C. Shah



Chirag Shah

Partner

Membership No.:125997

Place: Mumbai

Date: 30th August, 2019

PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2019

Currency : INR

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
<u>EQUITY AND LIABILITIES</u>			
<u>I. Shareholders' funds</u>			
a. Share capital	2	1,56,81,940	1,56,81,940
b. Reserves and surplus	3	45,39,851	45,76,817
<u>II. Non-Current Liabilities</u>			
a. Long Term Provisions	4	50,819	32,202
<u>III. Current liabilities</u>			
a. Short Term Borrowings	5	-	3,00,000
b. Short Term Provisions	6	83,900	1,38,001
TOTAL		2,03,56,510	2,07,28,960
<u>ASSETS</u>			
<u>i. Non-Current assets</u>			
a. Non-Current Investment	7	-	1,03,45,000
b. Long Term Loans & Advances	8	2,00,90,000	-
<u>ii. Current assets</u>			
a. Cash and cash equivalents	9	71,831	1,01,27,106
b. Short-term loans and advances	10	29,969	2,52,547
c. Other current assets	11	1,64,710	4,307
TOTAL		2,03,56,510	2,07,28,960

Summary of Significant Accounting Policies

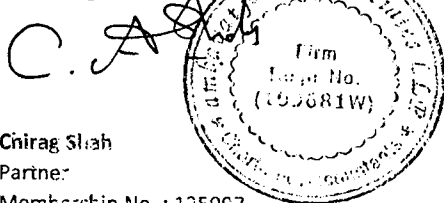
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The Notes to accounts referred to above form an integral part of Balance Sheet
 This is the Balance Sheet referred to in our report of even date.

For Anubhav Jain & Associates LLP

Chartered Accountants

Firm's Registration No. : 109681W



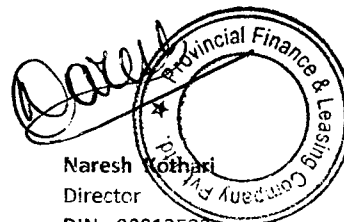
Chirag Shah

Partner

Membership No. : 125997

Mumbai: 30th August, 2019

For and on behalf of the Board of Directors

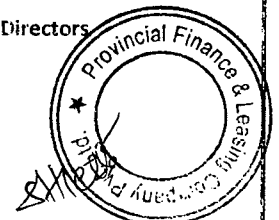


Naresh Kothari

Director

DIN : 00012523

Mumbai: 30th August, 2019



Shreyans Mehta

Director

DIN : 06756771

PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Currency : INR

Particulars	Note No.	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
I. Revenue from operations	12	1,83,787	-
II. Other income	13	-	750
III. Total Revenue		1,83,787	750
IV. Expenses:			
(a) Other expenses	14	2,02,136	2,60,156
Total expenses		2,02,136	2,60,156
V. Profit before extraordinary items and tax (III - IV)		(18,349)	(2,59,406)
VI. Profit before tax (V - VI)		(18,349)	(2,59,406)
VII. Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		-	-
VIII. Profit (Loss) for the period (VII - VIII)		(18,349)	(2,59,406)
IX. Earnings per equity share:	15		
(a) Basic		(0.01)	(0.32)
(b) Diluted		(0.01)	(0.32)

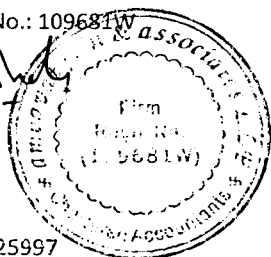
The Notes to accounts referred to above form an integral part of Statement of Profit and Loss
This is the Profit and Loss Account referred to in our report of even date.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No.: 109681W

C. Shah



Chirag Shah

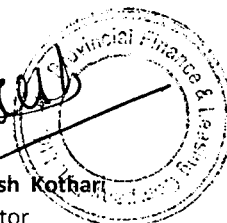
Partner

Membership No. : 125997

Mumbai: 30th August, 2019

For and on behalf of the Board of Directors

Naresh Kothari



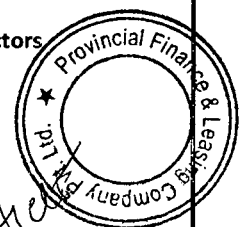
Naresh Kothari

Director

DIN : 00012523

Mumbai: 30th August, 2019

Shreyans Mehta



Shreyans Mehta

Director

DIN : 06756771

PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Currency : INR

Particulars		Year Ended 31st March, 2019	Year Ended 31st March, 2018
A	Cash flow from operating activities		
	Net Profit / (Loss) before taxation	(18,349)	(2,59,406)
	<u>Adjustments for</u>		
	Depreciation	-	-
	Operating cash flow before working capital changes	(18,349)	(2,59,406)
	<u>Adjustments for</u>		
	(Increase) / Decrease in Current Assets	80,477	28,47,000
	Increase / (Decrease) in Current Liabilities	(3,54,101)	2,07,746
	(Increase) / Decrease in loans & advances	(2,00,90,000)	-
	Cash used in operations	(2,03,81,973)	27,95,340
	Direct taxes paid	18,302	2,527
	Net Cash used in operating activities	(A) (2,04,00,275)	27,92,813
B	Cash flow from investing activities		
	Sale of Investment	1,03,45,000	-
	Investment in Debentures	-	(28,45,000)
	Net Cash generated from investing activities	(B) 1,03,45,000	(28,45,000)
C	Cash flow from financing activities		
	Share Allotment	-	1,00,68,400
	Net Cash generated from financing activities	(C) -	1,00,68,400
	Net increase in cash and cash equivalents	(A+B+C) (1,00,55,275)	1,00,16,213
	Cash and cash equivalent as at the beginning of the period	1,01,27,106	1,08,366
	Cash and cash equivalent as at the end of the period	71,831	1,01,27,106

Note:

Cash and cash equivalents comprise of cash on hand and balances with bank in current accounts
 This is the cashflow statement referred to in our report of even date.

For Anubhav Jain & Associates LLP

Chartered Accountants

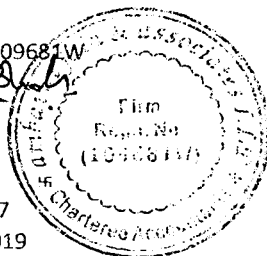
Firm's Registration No.: 109681W

Chirag Shah

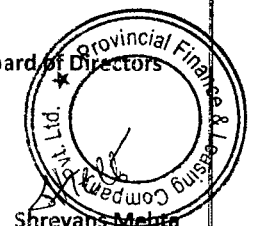
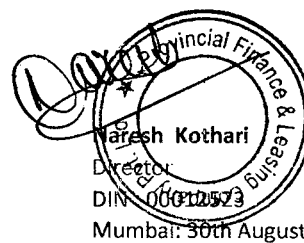
Partner

Membership No.: 125997

Mumbai: 30th August, 2019



For and on behalf of the Board of Directors



Shreyans Mehta

Director

DIN : 06756771

Mumbai: 30th August, 2019

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2019 AND THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON THAT DATE:

a) Basis of Preparation of Financial Statements:-

The financial statements have been prepared to comply in all material respects with the Accounting Standards ('AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (GAAP) and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulation. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

b) Revenue Recognition :-

Revenues and expenses are accounted on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

Interest income:

Interest income from loans is accounted based on applying interest rate implicit in the contract. In case of non-performing assets interest income is recognized on receipt basis as per NBFC prudential norms.

Interest income on all other assets is recognized on time proportion basis.

Dividend income:

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from the units of mutual funds is recognized on receipt basis in accordance with the NBFC Regulation.

Profit/Loss on sale of investments:

Profit/loss earned on sale of investments is recognized on trade date basis. Profit or loss on sale of investments is determined on the basis of the weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

c) Use of Estimate :-

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

d) Loans:-

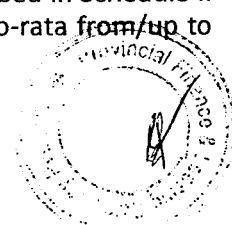
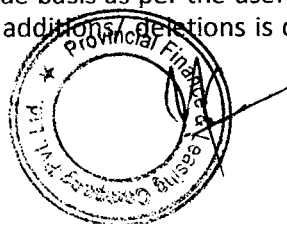
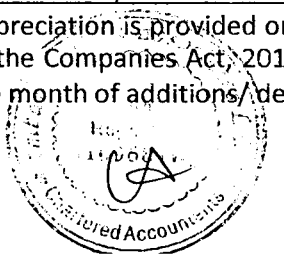
Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date and loans assigned.

e) Fixed Assets :-

Fixed assets are stated at cost of acquisition/construction, and include other direct / indirect and incidental expenses incurred to put them into use.

f) Depreciation/ Amortization :-

Depreciation is provided on Written down Value basis as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletions is calculated pro-rata from/up to the month of additions/deletions.



g) Investments :-

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Current investments are carried in the financial statements at fair value determined on an individual investment basis. Unquoted investments in units of mutual funds are stated at net asset value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss."

h) Retirement Benefits :-

Accrued liability on account of Gratuity up to 31st March, 2019 has not been ascertained and will be accounted for on cash basis.

i) Borrowing costs:-

Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenor of borrowings.

j) Taxation :-

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted.

k) Provisioning/Write-off on assets

Provisioning/Write-off on overdue assets:-

The provisioning/write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007. The Company accounts for provision for doubtful assets after taking into account the time lag between an accounts becoming overdue, its recognition as such and realisation of available security. The Company classifies non-performing assets which are overdue for six months or more.

Provision on standard assets:-

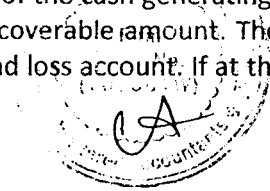
Provision on standard assets at 0.25% as prescribed by Reserve Bank of India ('RBI') guidelines is provided.

l) Earnings per Share :-

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax as per Accounting Standard 20 on "Earning Per Share", issued by the institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the Period. The diluted EPS is calculated on the same basis as the basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

m) Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date, there is an indication that a previously assessed



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impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

n) Foreign Currency Transactions :-

(i) Initial Recognition Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

o) Provisions :-

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that 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.

p) Prior Period Adjustments :-

Income/expenses on prior period are booked to natural heads and the amounts are disclosed.

q) Contingent Liabilities :-

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.

r) Cash and Cash Equivalents:-

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less.



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT

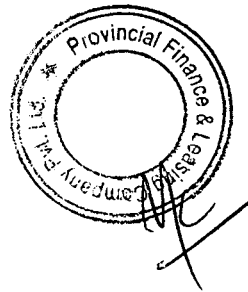
NOTE 2 : SHARE CAPITAL	As at 31.03.19	As at 31.03.18
Authorised Capital		
20,50,000 Equity Shares of Rs. 10 each (Previous year 20,50,000 Shares of Rs. 10 each)	2,05,00,000	2,05,00,000
	2,05,00,000	2,05,00,000
Issued, Subscribed and Paid up Capital		
15,68,194 Equity Shares of Rs. 10 each (Previous Year 15,68,194 Shares of Rs.10 each, fully paid up)	1,56,81,940	1,56,81,940
	1,56,81,940	1,56,81,940

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

Equity Shares	As at 31.03.19		As at 31.03.18	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	15,68,194	1,56,81,940	7,97,850	79,78,500
Shares Issued during the year	-	-	7,70,344	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	15,68,194	1,56,81,940	15,68,194	79,78,500

b) Details of shareholders holding more than 5% Equity Shares in the company

Name of Shareholder(s)	As at 31.03.19		As at 31.03.18	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Alpha Alternated Holding Private Limited	15,68,194	100%	-	-
A.T. Invofin India Private Limited	-	-	1,99,463	12.72%
Teletec Finsec India Private Limited	-	-	1,99,463	12.72%
Cellcap Invofin India Private Limited	-	-	9,69,806	61.84%
Cellphone Credit & Securities India Private Limited	-	-	1,99,462	12.72%



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENT

Currency : INR

NOTE 3: RESERVE AND SURPLUS	As at 31.03.19	As at 31.03.18
General Reserve		
Opening balance	10,00,000	10,00,000
Add : Transfer to Profit and Loss and Account	-	-
Less: Utilised during the year	-	-
Closing Balance	10,00,000	10,00,000
Securities Premium		
Opening balance	23,64,960	23,64,960
Add : Transfer to Profit and Loss and Account	-	-
Closing Balance	23,64,960	23,64,960
Surplus in Statement of Profit and Loss		
Opening balance	12,11,857	14,71,263
Add : Net Profit For the year	(18,349)	(2,59,406)
Less: Transfer to Provision for Standard Asset	(18,617)	-
	11,74,891	12,11,857
TOTAL	45,39,851	45,76,817

NOTE 4: LONG TERM PROVISIONS	As at 31.03.19	As at 31.03.18
Provision for Standard Asset (Refer Note 4.1)	50,819	32,202
	50,819	32,202

4.1 As per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, Company has provisions for Standard Assets.

NOTE 5: SHORT TERM BORROWINGS	As at 31.03.19	As at 31.03.18
Others	-	3,00,000
	-	3,00,000

NOTE 6: SHORT TERM PROVISIONS	As at 31.03.19	As at 31.03.18
Provision for Expenses	83,900	1,38,001
	83,900	1,38,001

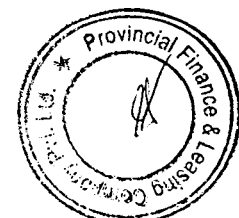
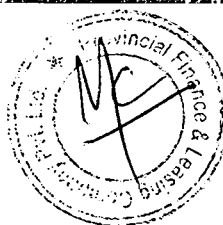
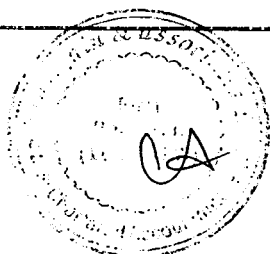
NOTE 7: NON-CURRENT INVESTMENT	As at 31.03.19	As at 31.03.18
Investment in Debentures	-	1,03,45,000
	-	1,03,45,000

NOTE 8: LONG TERM LOANS & ADVANCES	As at 31.03.19	As at 31.03.18
Loans others	2,00,90,000	-
	2,00,90,000	-

NOTE 9: CASH AND CASH EQUIVALENTS	As at 31.03.19	As at 31.03.18
(a) Balances with banks in Current account	11,270	1,00,66,545
(b) Cash on hand	50,561	60,561
	71,831	1,01,27,106

NOTE 10: SHORT-TERM LOANS AND ADVANCES	As at 31.03.19	As at 31.03.18
(a) Balance with Revenue Authorities	29,969	2,547
(b) Others	-	2,50,000
	29,969	2,52,547

NOTE 11: OTHER CURRENT ASSETS	As at 31.03.19	As at 31.03.18
Accrued Interest	1,64,710	4,307
	1,64,710	4,307



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
 NOTES TO FINANCIAL STATEMENT

Currency : INR

NOTE 12: REVENUE FROM OPERATIONS	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Interest Income	1,83,787	-
	1,83,787	-

NOTE 13: OTHER INCOME	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Other Income	-	750
	-	750

NOTE 14: OTHER EXPENSES	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Audit Fees & Expenses	30,000	45,000
Bank Charges	7,788	17,310
Rent, rates & Taxes	36,680	-
Legal and Professional Fees	55,460	95,196
Membership Fees	64,900	-
Miscellaneous Expenses	4,808	1,02,650
Professional Tax	2,500	-
	2,02,136	2,60,156

NOTE 15: EARNINGS PER SHARE	For the year ended on 31st March, 2019	For the year ended on 31st March, 2018
Net Profit After Tax (A)	(18,349)	(2,59,406)
Weighted Average Number of Equity Shares outstanding during the year (B)	15,68,194	15,68,194
Number of Dilutive Potential Equity Shares (C)	NIL	NIL
Basic Earning Per Share (A/B)	(0.01)	(0.32)
Dilutive Earning Per Share (A/(B+C))	(0.01)	(0.32)



16. Segment Reporting:

Since the Company has only one reportable business segment "loans given" as primary segment and it operates in a single geographical segment within India, no disclosure is required to be given as per Accounting Standard - 17 'Segmental Reporting' as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

17. Related parties disclosures:

Related parties and their relationship:

Relationship	Name of the Related Party
Key Management Personnel	Naresh Kothari
	Shreyans Mehta

Refer Annexure 1 for the transactions with related parties for the year ended March 31, 2019.

18. Dues to MSME :

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the period ended 31st March, 2019 together with interest paid/ payable is required to be furnished.

19. Auditors Remuneration:

Particulars	2018-2019	2017-2018
Statutory Audit Fees	30,000	45,000
Professional Fees	40,000	1,22,100
Total	70,000	1,67,100

(Figures are excluding taxes)

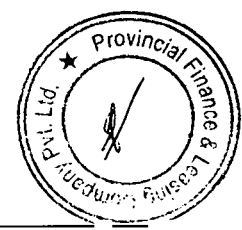
20. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

21. There are no contingent liabilities.

22. Additional information as per Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 is given in Annexure 2

23. There are no Foreign currency transactions.


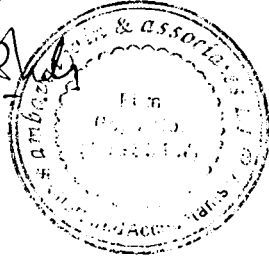
24. Figures have been rounded off to the nearest rupees




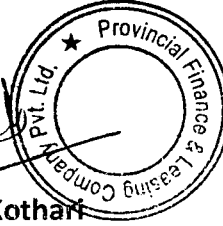
PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
34th Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West)
Mumbai 400013
CIN: U65923MH1993PTC075162

25. Previous year's figures have been regrouped and/or reclassified wherever considered necessary so as to make them comparable with those of the current year.

As per our report of even date attached
For Ambavat Jain & Associates LLP
Chartered Accountants
FRN: 109681W

Chirag Shah
Partner
Membership No. : 125997
Mumbai: 30th August, 2019

Naresh Kothari
Managing Director
DIN: 00012523
Mumbai: 30th August 2019




Shreyans Mehta
Director
DIN: 06756771

Annexure 1 of the Note No. 17 to the Notes to the Financial Statements for the year ended March 31, 2019.

- A. Transactions with Related parties for the year ended 31st March, 2019 – N.A**
- B. Balances with Related parties as on 31st March, 2019 – N.A**

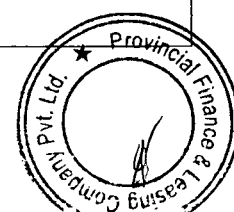
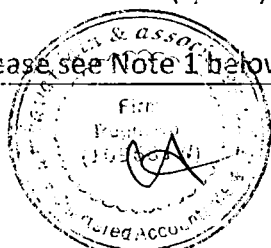
Annexure 2 of the Note No. 22 to the Notes to the Financial Statements for the year ended March 31, 2019

A. Asset Classification

Particulars		Amount in Rupees
(i)	Standard assets;	-
(ii)	Sub-standard assets;	-
(iii)	Doubtful assets; and	-
(iv)	Loss assets	-

B. Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

	Particulars	Amount Outstanding	Amount Overdue
	<u>Liabilities side :</u>		
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures (other than falling within the meaning of public deposits)		
	: Secured	-	-
	: Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	* Please see Note 1 below		



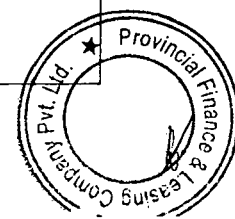
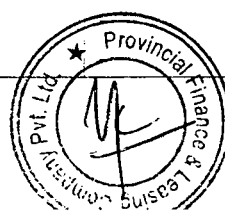
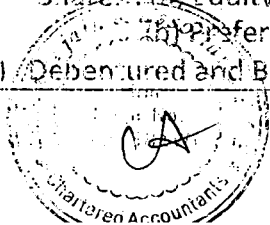
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(2)	Assets side :	Amount outstanding
	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
	(a) Secured	-
	(b) Unsecured *	2,00,90,000

* Total of short and long term loans and advances

(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	Amount Outstanding
	(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:	
	(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 :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	2. Unquoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentured and Bonds	-



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED
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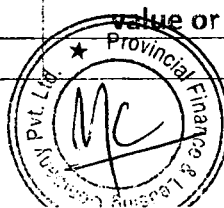
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
Long Term Investments:	
1. Quoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2. Unquoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentured and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:
 Please see Note 2 below:

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	-	2,00,90,000	2,00,90,000
Total	-	2,00,90,000	2,00,90,000

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below:

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		



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	(d) Subsidiaries	-	-
	(e) Companies in the same Group	-	-
	(f) Other Related Parties	-	-
	2. Other than related parties	-	-
	Total	-	-

** As per Accounting Standard (AS-18)

(7) Other Information

Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	-
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	-
(iii)	Assets acquired in satisfaction of debt	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

