

127<sup>th</sup>

**ANNUAL REPORT**

---

**2021-2022**

**PNB FINANCE AND  
INDUSTRIES LIMITED**

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## BOARD OF DIRECTORS

ASHISH VERMA	<i>DIRECTOR</i>
GOVIND SWARUP	<i>DIRECTOR</i>
RAKESH DHAMANI	<i>DIRECTOR</i>
SAUMYA AGARWAL	<i>DIRECTOR</i>
SHWETA SAXENA	<i>DIRECTOR</i>

## COMPANY SECRETARY

SHWETA SAXENA

## CHIEF FINANCIAL OFFICER

VIVEKA NAND JHA

## MANAGER

VIJAY KUMAR BAKSHI

## AUDITORS

AWATAR & CO.  
*Chartered Accountants*  
New Delhi

## REGISTRAR & SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES (P) LTD.  
D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020  
Tel : +91-11- 26812682/83  
E-mail : viren@skylinerta.com

## REGISTERED OFFICE

CIN: L65929DL1947PLC001240  
1<sup>st</sup> Floor, Express Building, 9-10,  
Bahadur Shah Zafar Marg, New Delhi-110002  
Tel : +91-7303495375  
E-mail : pnbfinanceindustries@gmail.com  
Website: www.pnbfinanceandindustries.com

## NOTICE

**NOTICE** is hereby given that the 127<sup>th</sup> Annual General Meeting of the members of PNB Finance and Industries Limited (the 'Company') will be held on Friday, September 30, 2022 at 10:00 A.M. IST through Video Conferencing (VC) to transact the following businesses:

### **Ordinary business:**

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors ('the Board') and auditors thereon.

### **Special business:**

2. To approve remuneration of Ms. Shweta Saxena, Whole time Director and Company Secretary of the Company and in this regard to consider and if thought fit, to pass the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 (herein referred to as the “Act”) and the Rules framed thereunder (including any statutory modifications or re-enactments thereof for the time being in force), consent of the members of the Company be and is hereby accorded to approve/ratify the remuneration of Rs. 21,80,787 paid during the financial year 2021-22 to Ms. Shweta Saxena, Whole-time Director (DIN: 03120958) and Company Secretary of the Company.

**RESOLVED FURTHER THAT** pursuant to the aforesaid provisions of the Act and in furtherance of the ordinary resolution passed at the 125<sup>th</sup> Annual General Meeting of the Company held on September 30, 2020 and upon recommendation of nomination and remuneration committee, consent of the members of the Company be and is hereby accorded to approve the appraisal of Ms. Shweta Saxena, Whole-time Director (DIN: 03120958) and Company Secretary of the Company effective from April 01, 2022 to pay the remuneration of Rs. 35.01 lakhs per annum and in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, Ms. Shweta Saxena shall be paid salary, perquisites and other allowances with a liberty to the Board to revise the terms and conditions of the remuneration within the given scale, subject to provisions as specified in Schedule V of the Act from time to time.

**RESOLVED FURTHER THAT** the above remuneration includes all components of her remuneration inter-alia salary, house rent allowance, special pay, provident fund, conveyance, leave travel allowance, telephone allowance and also the present value of future liabilities like gratuity.

**RESOLVED FURTHER THAT** save and except as aforesaid, the ordinary resolution passed by the members at the annual general meeting of the Company held on September 30, 2020 with respect to the appointment of Ms. Shweta Saxena shall remain in full force and effect till her tenure of appointment.

**RESOLVED FURTHER THAT** all the directors of the Company be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

By order of the Board of Directors  
For **PNB Finance and Industries Limited**  
Sd/-

**Shweta Saxena**

Director & Company Secretary  
DIN & Membership No.: 03120958 & A18585

**Place: New Delhi**

**Date: July 18, 2022**

**Registered Office:**

**1st Floor, Express Building, 9-10,**

**Bahadur Shah Zafar Marg, New Delhi-110002**

**CIN: L65929DL1947PLC001240 Tel: +91-7303495375**

**Website: www.pnbfinanceandindustries.com**

**Email: pnbfinanceindustries@gmail.com**

### **NOTES:**

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs (hereinafter referred as 'MCA') has issued circular dated May 05, 2022 in continuation of General Circular 14/2020, dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 (collectively referred as “Circulars”) whereby MCA has allowed companies to continue conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) which became due in the year 2022. Similarly, Securities and Exchange Board of India (hereinafter referred as 'SEBI') vide its circular dated May 13, 2022 has extended certain relaxation to listed entities for holding AGM as provided through Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62.

In line with the above given circulars and guidelines issued by MCA and SEBI, Company is conducting 127<sup>th</sup> Annual General Meeting of the members through VC.

Members may note that the Company has followed all the guidelines and procedure as required under the MCA and SEBI circulars as stated above and duly complied with the regulatory framework.

Detailed instructions with respect to participation in the AGM through VC are provided in Annexure A to this notice; Members are requested to get through the notes carefully to understand the procedural requirement to attend the AGM through VC.

2. In line with the above given circulars, dispatch of physical copies of annual report or other documents required to be attached therewith to shareholders is dispensed with, annual report or other documents are being sent only by email to the members and to all other person so entitled.

Copy of the Annual Report 2022, Notice of 127<sup>th</sup> AGM and instructions for e-voting and participation through VC, are being sent by electronic mode only to those members whose email addresses are registered with the Company/ depository participant(s) for communication purpose. For members who have not registered their email addresses, are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent Skyline Financial Services Private Limited (Registrar and Transfer Agent), D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Phone: 011-26812682/83, Email: [parveen@skylinerta.com](mailto:parveen@skylinerta.com).

Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com) and on the website of NSDL <https://www.evoting.nsdl.com>.

3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), which sets out the details relating to the Special Business to be transacted at the AGM, is annexed to the Notice .
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2022 to September 30, 2022 (both days inclusive). The cut-off date for determining the members who are entitled to vote through remote e-voting or voting at the meeting through VC is September 23, 2022.
5. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. However, MCA vide its circulars has explained that as AGM will be conducted through VC or OAVM, physical presence of members in any case will be dispensed with, therefore there is no requirement of appointment of proxies by members.
6. Corporate members intending to attend the AGM shall send certified true copy of the Board resolution to the Company through physical or electronic mode, authorizing their representative to attend and vote through remote e voting or for participation and voting in the meeting through VC.  
Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending request from their registered email address mentioning their name, DP ID, Client ID/folio number, self-attested PAN, mobile number at [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com) from September 19, 2022 (9:00 a.m. IST) to September 24, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM and may have to allow camera access during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Members, who have not registered themselves as speaker shareholder and wish to raise queries can post their questions in chat box option during AGM and the same will be answered by the Company within 7 days from the date of AGM through email at the registered email address of the member.
8. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted or require information about accounts can send their questions/comments in advance by sending an email at [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com) during the period starting from September 19, 2022 (9:00 a.m. IST) to September 24, 2022 (5:00 p.m. IST) mentioning their name, demat account no./folio no., e-mail Id, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
9. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts and Arrangements in which directors are interested will be available for inspection in electronic mode for the members. Members who wish to inspect the documents



are requested to send an email to [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com) mentioning their name, folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.

10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting by the first holder.
11. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent- Skyline Financial Services (P) Ltd.
12. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant. Members holding shares in physical form are required to submit their PAN details to Registrar and Share Transfer Agent.
13. Pursuant to the provisions of Section 124 of the Act, and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has been unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF authority. In terms of above provisions, such amount of unclaimed dividend and shares become due for transfer to the IEPF on October 28, 2022. Details of shares transferred and due to be transferred to IEPF authority are available on the website of the Company. Therefore, all the shareholders are requested to claim the unpaid dividend amount from the Company, if any.
14. Members may note that shares as well as unclaimed dividend transferred to IEPF authority can be claimed. Concerned members are advised to visit the weblink: <http://www.iepf.gov.in/> and/or Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com) for the procedure to claim the shares and dividend thereon.
15. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of this and to avail benefits of dematerialisation and to eliminate risks associated with physical shares, members are advised to dematerialise shares held by them in physical form.
16. In terms of Section 72 of the Act, the shareholders can exercise their right to nominate any person in whom

the securities held by such shareholder shall vest in the event of the death of such shareholder. Members who have not yet registered their nomination are requested to submit the required form (Form no. SH13) to their DP in case shares are held in demat form and to RTA in case shares are held in physical form.

17. SEBI vide its circular dated SEBI/HO/MIRSD/MIRSD\_RTAMB /P/ CIR/2021/655 read with SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 mandated that every shareholder holding shares in physical mode is required to update their KYC with the Company and furnishing / update PAN, KYC details and Nomination. Company has intimated the same to the shareholders by dispatching letters on March 17, 2022 accordingly the shareholders are requested to update their KYC with the Company.

In order to ensure maximum participation of the Members at the AGM, the Company had requested members of the Company to register their email addresses with the Company through notice published in the newspapers on February 21, 2022, February 28, 2022 and March 07, 2022. "Mint" in English and "Pioneer" in Hindi having nationwide circulation.

18. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

## **Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013**

### **Item no. 2**

Ms. Shweta Saxena was appointed as a Whole-Time Director of the Company for a period of five years with effect from August 27, 2020 on the terms and conditions as set out in her appointment letter as Company Secretary dated July 28, 2008 and on remuneration as mentioned in the notice of 125<sup>th</sup> AGM of the Company, with liberty to the Board to alter and vary the terms and conditions and other benefits of the said appointment and remuneration as it may deem fit in line with the Company's policy and as may be acceptable to Ms. Shweta Saxena, subject to the same not exceeding the limit specified under Section 197 and Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

Upon evaluation of performance of Ms. Shweta Saxena and further to recommendation of nomination and remuneration committee, the Board at its meeting held on August 12, 2021 and February 08, 2022 has approved revised remuneration for the financial year 2021-22. The Board had further approved the increment effective from April 01, 2022.

Pursuant to Section 197 and schedule V of the Companies Act, 2013, the approval of the members is sought by way of a special resolution for the remuneration paid during the financial year 2021-22 and remuneration effective

# PNB FINANCE AND INDUSTRIES LIMITED

from April 01, 2022 of Ms. Shweta Saxena as Whole time Director of the Company.

Broad particulars of the remuneration:

Proposed remuneration : As set out in item 2 of the notice

(upto scale of ₹ 60,00,000 with the liberty to the Board of Directors of the Company to grant such increments within the said scale as it may determine from time to time.)

## I. General Information:

S. No	Particulars	Information
1.	Nature of Industry	NBFC investment company
2.	Date or expected date of commencement of commercial production	Not applicable
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4.	Financial performance	As given in balance sheet and profit and loss account for the financial year 2021-22
5.	Foreign investments or collaborations, if any	NIL

## II. Information about the appointee:

S. No.	Particulars	Information
1.	Background details	B.Com (H), Company Secretary, LLB, PGDBA (Finance)
2.	Past remuneration	₹ 20,13,252 per annum
3.	Recognition and rewards	-
4.	Job profile and his suitability	Ms. Shweta Saxena is having more than 17 years of experience in corporate and secretarial matters.
5.	Remuneration proposed	As specified in item no. 2 of the notice

S. No.	Particulars	Information
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed to be paid to Ms. Shweta Saxena, Whole-time Director is purely based on merit and in consonance with the remuneration paid at same profile.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Ms. Shweta Saxena is associated with the Company as Company Secretary since 2008 and appointed as Whole time Director w.e.f. August 27, 2020.

## III. Other information:

The Company has earned a net profit of Rs. 317.89 Lakhs in financial year 2020-21 and Rs. 810.59 lakhs during the financial year 2021-22 and the Company is expected to do well in future as well.

None of the directors or relatives of directors, except Ms. Shweta Saxena are in any way concerned with or interested financially or otherwise in the resolution set out at item no. 2 of the accompanying notice.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set out at item no. 2 of the notice for approval by the members through special resolution.

By order of the Board of Directors  
For **PNB Finance and Industries Limited**  
Sd/-

**Shweta Saxena**

Director & Company Secretary  
DIN & Membership No.: 03120958 & A18585

**Place: New Delhi**

**Date: July 18, 2022**

**Registered Office:**

**1st Floor, Express Building, 9-10,**

**Bahadur Shah Zafar Marg, New Delhi-110002**

**CIN: L65929DL1947PLC001240 Tel: +91-7303495375**

**Website: www.pnbfinanceandindustries.com**

**Email: pnbfinanceindustries@gmail.com**

## Annexure-A

### Notes on attending AGM through Video Conferencing (VC), Remote E Voting and Voting at AGM

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, September 27, 2022 at 09:00 A.M. and ends on Thursday, September 29, 2022 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 23, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 23, 2022.

#### **How do I vote electronically using NSDL e-Voting system?**






*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 10px;">  <p>NSDL Mobile App is available on   App Store  Google Play   </p> </div>



## PNB FINANCE AND INDUSTRIES LIMITED

Type of shareholders	Login method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select “EVEN 121331” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to balrajsharmafcs@gmail.com with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not

casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com) The same will be replied by the company suitably.

By order of the Board of Directors  
For **PNB Finance and Industries Limited**

Sd/-

**Shweta Saxena**

Director & Company Secretary  
DIN & Membership No.: 03120958 & A18585

**Place: New Delhi**

**Date: July 18, 2022**

**Registered Office:**

**1st Floor, Express Building, 9-10,**

**Bahadur Shah Zafar Marg, New Delhi-110002**

**CIN: L65929DL1947PLC001240 Tel: +91-7303495375**

**Website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)**

**Email: [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com)**

## BOARD'S REPORT

Dear Members,

Your directors feel immense pleasure in presenting the 127<sup>th</sup> Annual Report of PNB Finance and Industries Limited (“the Company”) together with financial statements (standalone and consolidated) and auditors’ report thereon for the financial year ended March 31, 2022.

### Financial performance

The standalone and consolidated financial statements for the financial year ended March 31, 2022, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The performance figures of the Company during the year under review and those reported for the corresponding previous year are as under:

(₹ in Lakhs)

Particulars	Standalone results		Consolidated results	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Total income	1186.00	514.33	1561.56	712.88
Total expenditure	199.23	133.09	203.08	137.43
Exceptional items-interest realized on loan	-	-	-	-
Profit/(loss) before tax	986.77	381.24	1358.48	575.45
Less: Current tax	171.93	63.77	235.26	97.55
Deferred tax charge/ (credit)	(0.75)	(0.18)	(0.81)	(0.27)
Reversal of deferred tax liability of earlier year	-	(0.24)	-	(0.24)
Earlier year tax provision (net)	5.00	-	7.04	(0.06)
<b>Profit/(loss) after tax</b>	<b>810.59</b>	<b>317.89</b>	<b>1116.99</b>	<b>479.01</b>

During the year under review, your Company has not carried on any business activity. It has only invested its surplus funds in debt/equity mutual funds, paintings, fixed deposits of scheduled banks, corporate deposits of top rated NBFC’s, government bonds and equity shares of listed or non-listed companies.

The consolidated profit after tax for the financial year 2021-22 is ₹ 1116.99 lakh, out of which ₹ 306.4 lakh relates to its subsidiary companies, amounting 27.43 % of the consolidated profit after tax.

### Material changes and commitments affecting the financial position between the end of the financial year and date of this report

There were no material changes and commitments affecting the financial position between the end of the financial year and date of this report.

### Dividend

Your directors do not recommend dividend for the year under review.

### Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 (“Act”) and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘the Rules’), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has been unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF authority. Accordingly, the Company has transferred the unclaimed dividend of ₹ 59,917.80 and 869 shares to IEPF. The details are also available on the Company’s website at [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

### Reserves

The Board proposes to carry a sum of ₹ 20 lakh to general reserves of the Company and ₹ 158.28 lakh to special reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

### Public deposits

During the year under review, the Company has not accepted any public deposits and your Board of directors have also passed the necessary resolution for non-acceptance of any public deposits during the financial year 2022-23.

### Directors and key managerial personnel

#### Directors

Mr. Govind Swarup, Mr. Rakesh Dhamani, Mr. Ashish Verma and Ms. Saumya Agarwal continues to be non-executive and independent directors of the Company and Ms. Shweta Saxena continues to be a Whole-Time Director of the Company.

#### Key managerial personnel (KMP)

Ms. Shweta Saxena, Company Secretary and Whole time Director, Mr. Viveka Nand Jha, Chief Financial Officer and



Mr. Vijay Kumar Bakshi, Manager continues to be the Key Managerial Personnel of the Company.

## **Performance evaluation of the Board, its committees and directors**

Pursuant to the provisions of Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) the Board has carried out annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its audit, nomination and remuneration and stakeholders relationship committee. The manner in which the evaluation has been carried out has been explained in corporate governance report. The performance of the Board, individual directors and the committees on the basis of the criteria as set out has been found good.

## **Declaration by independent director(s)**

Pursuant to section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations, Independent directors are required to provide declarations, both at the time of appointment as well as annually, confirming that they meet the criteria of independence. All independent directors of the Company have given declaration for the same. Further, in terms of Regulation 25(8) of the Listing Regulations, the Independent directors had also confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

## **Number of meetings of the Board of directors**

The meetings of the Board are scheduled at regular intervals to discuss and decide on matters of significance. The Notice of the meetings and agenda thereof is circulated in advance, to ensure proper planning and effective participation. In certain exigencies, decisions of the Board are also accorded through circulation. The directors of the Company are given the facility to attend the meetings through videoconferencing subject to compliance with the specific requirements under the Act.

During the year under review, five (5) meetings of the Board and one independent director’s meeting were duly convened and held. The gap between any two meetings of the Board of directors did not exceeded 120 days.

For details, please refer to the corporate governance report, which forms part of this Board report.

## **Familiarization program for independent directors**

All new independent directors inducted into the Board familiarization program. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his role, function, duties and responsibilities. The formal letters of appointment and familiarization program for independent director are available on our website at [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

## **Committees of the Board**

In compliance with various requirements of the Act and Listing Regulations, your Board has constituted various board committees i.e. audit committee, nomination and remuneration committee, stakeholders relationship committee.

Detail of the constitution of these committees, which are in accordance with regulatory requirements, is available on the website of the Company viz. [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com). Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of committee members therein form part of the corporate governance report annexed to this Board report.

Pursuant to the regulation 70 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has constituted risk management committee and during the year under review one meeting of risk management committee was held on March 28, 2022.

## **Subsidiaries**

As on March 31, 2022, the Company has two wholly owned subsidiaries, Punjab Mercantile and Traders limited and Esoterica Services Limited (formerly known as Jacaranda Corporate Services Limited).

Esoterica Services Limited is a material unlisted subsidiary as per Regulation 16(c) of Listing Regulations. The Company has formulated a policy for determining ‘Material’ subsidiaries as approved by the Board and is available on the Company’s website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com).

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company’s subsidiaries in Form AOC-1 is attached as **Annexure-I** to this Board report.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013 and Regulations 46 of the Listing Regulations, the financial statements of the Company, consolidated financial statements along with relevant documents and audited financial statements in respect of subsidiaries, are available on the website of the Company at [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com).

## Management discussion and analysis report

In accordance with Regulation 34 of Listing Regulations, the Management Discussion and Analysis Report forms part of this Board report.

## Risk assessment & minimization policy

Your Company has in place the process to identify and assess business risks and opportunities in the form of a Risk assessment & minimisation policy.

The main objective of this policy is to ensure safety of principal, high degree of liquidity while maximizing yield. Liquidity and preservation of capital are the paramount considerations. Yield is important but secondary to these objects.

In order to achieve the key objective, the policy establishes a structured and disciplined approach to risk management, in order to guide decisions on risk related issues.

As a matter of policy, the risks are assessed and steps as appropriate are taken to mitigate the same.

## Annual return

Pursuant to the provisions of Section 134(3)(a) and 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company as at March 31, 2022 is available on Company's website : [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

## Auditors

### a) Statutory auditors

The Company has re-appointed M/s Awatar & Co., Chartered Accountants (FRN:000726N) as the auditors of the Company on September 30, 2020 to hold office from the conclusion of 125<sup>th</sup> Annual General Meeting till the conclusion of 130<sup>th</sup> Annual General Meeting of the Company for the second term of five years.

The Company has received certificate of eligibility from M/s Awatar & Co. in accordance with the provisions of the Act read with rules made thereunder and a confirmation that they continue to hold valid peer

review certificate as required under Listing Regulations.

The auditor's report does not contain any qualification, reservation or adverse remark and the notes on accounts read with the auditor's report are self-explanatory and therefore, do not call for any further comments or explanations.

### b) Secretarial auditors

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24(A) of Listing Regulations, the Company has appointed M/s. Balraj Sharma & Associates (CP No:824), Company Secretaries, to undertake the secretarial audit of the Company and Esoterica Services Limited, material subsidiary of the Company.

The secretarial audit report does not contain any qualification, reservation or adverse remark. The secretarial audit report of the Company is annexed as **Annexure- II**.

Pursuant to Regulation 24(A) of Listing Regulations, the Company has also obtained annual secretarial compliance report from M/s. Balraj Sharma & Associates (CP No:824), Company Secretary in practice.

### c) Internal auditors

M/s A.V. Ravindranath & Co, Chartered Accountants (FRN: 017483N) performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time.

During the year under review, the auditors of the Company had not reported any instances of offence involving fraud committed against the Company under Section 143(12) of the Act.

## Conservation of energy, technology absorption and foreign exchange earnings and outgo

Provisions relating to disclosure of particulars with respect to conservation of energy are not applicable on the Company and it has no information to be published regarding technology absorption. The Company has not carried on, during the period under report, any activity relating to exports and has not used or earned any foreign exchange.

## Internal control system and their adequacy

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company.

## Corporate social responsibility (CSR)

The provisions pertaining to corporate social responsibility as prescribed under the Act are applicable to the Company. The CSR policy may be accessed on the Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com).

Total CSR obligation of the Company for the financial year 2021-22 was ₹ 15.55 lakhs and Company has contributed the same to the Times Foundation in the month of March 2022.

Times Foundation is a registered society established vide Registration no. S/37742 dated 25.08.2000 under the Societies Registration Act, 1860. The Society has been set up to carry on the objects as also allowed as CSR activity in Schedule VII of the Act.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## Corporate governance

The Company is committed to maintain the highest

standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India (hereinafter referred as "SEBI"). The Company has also implemented several best corporate governance practices as prevalent globally.

The report on corporate governance as stipulated under Schedule V of Listing Regulations, forms part of this Board report. The requisite certificate from M/s Balraj Sharma & Associates, Company Secretaries confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Schedule V, is attached to this Board report as **Annexure- IV**.

## Particulars of employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are as follows:

Remuneration paid to Ms. Shweta Saxena (Whole time director & Company Secretary) during the financial year 2021-22 is mentioned below. Further, sitting fees paid to the directors during the year has been mentioned in the corporate governance report. Number of permanent employees in the Company are 2.

None of the employees draws remuneration in excess of the limits set out in the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015. The percentage increase in the median remuneration of employees in the financial year 2021-22 is 9.81 %.

The remuneration paid to all key managerial personnel was in accordance with the remuneration policy adopted by the Company. None of the employees holds equity shares of the Company and no employee is a relative of director or manager of the Company.

## Name of the top 10 employees in terms of remuneration drawn during the financial year 2021-22.

S. S.no	Name of the employee & age (in years)	Designation and nature of employment	Remuneration received in financial year 2021-22 (₹ in lakh)	Educational qualifications	Experience (in years)	Date of commencement of employment	Previous employment	% Increase in remuneration in the financial year 2021-22
1.	Shweta Saxena Age: 41	Designation: Company Secretary Nature: Permanent	21.81	B.Com(H), ACS, LLB, PGDBA (Finance)	17	July 28, 2008	Uniproducts India Limited	8.3%
2.	Viveka Nand Jha Age: 43	Designation: CFO Nature: Permanent	17.57	B.Com(H), LLB, PGDBA (Finance)	19	July 27, 2009	Jubilant Industries Limited	12%
3.	Vijay Kumar Bakshi	Designation: Manager Nature: Contractual	0.12	B.com	30	N.A.	N.A.	N.A.

### Vigil / whistle blower mechanism

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the Company has adopted a vigil mechanism policy. This policy available on Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

### Related party transactions

There were no contracts or arrangements entered by the Company in accordance with provisions of Section 188 of the Act. Further In terms of Ind AS 24 related party disclosure including remuneration paid to KMP's and sitting fees paid to directors is disclosed in the notes no. 27 to the financial statements of the Company.

The policy on related party transactions is available on Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

### Particulars of loans, guarantees and investment

No loans and guarantees made by the Company during the financial year. The particulars of investments made by the Company are detailed in note 3 to the financial statements.

### Cost records

The requirement of maintenance of cost records under Section 148(1) of the Act are not applicable on the Company.

### Regulatory orders

There are no significant/material orders passed by the regulators/courts which would impact the going concern status of the Company and its future operations.

### The sexual harassment of women at work place (prevention, prohibition and redressal) Act, 2013

Since the Company has number of employees less than ten, it is not required to form committee for the redressal of complaints under the said Act.

### Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Board of directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2021-22 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Statutory statement

The Company is regular in paying the annual listing fee to the exchange. The Company has diligently complied with all the applicable provisions of the listing regulations with the exchange.

Further, your Company continues to be registered as a Non-Banking Financial Company – Systemically Important Non-Deposit taking Company with the Reserve Bank of India.

The Company complies with all the applicable secretarial standards issued by ICSI.

## Green initiative

In view of the continuing Covid-19 pandemic, Ministry of Corporate Affairs (hereinafter referred as 'MCA') has issued circular dated May 05,2022 in continuation of General Circular 14/2020, dated April 08,2020 , 17/2020 dated April 13,2020, 20/2020 dated May 05, 2020 (collectively referred as "Circulars") whereby MCA has allowed companies to continue conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) which became due in the year 2022. Similarly, Securities and Exchange Board of India (hereinafter referred as 'SEBI') vide its circular dated May 13,2022 has extended certain relaxation to listed entities for holding AGM as provided through Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62.

In line with the above given circulars and guidelines issued by MCA and SEBI, Company is conducting 127<sup>th</sup> Annual General Meeting of the members through VC. The instructions of attending meeting through VC is provided in AGM notice.

Your Company has endeavoured to obtain email address of all members whose email addresses were not yet registered with the Company. Company has also published notices in newspapers, manner in which members of the Company can register their email addresses with the Company.

Electronic copies of Annual Report 2022, Notice of 127<sup>th</sup> Annual General Meeting and instructions slip will be sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose.

Pursuant to Section 108 of the Act read with rule 20 of Companies (Management and Administration) Rules, 2014, the Company is providing remote e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the notice. The instruction of remote e-voting is provided in the notice.

## Acknowledgement

Your directors wish to place on record their sincere thanks to the bankers, the stakeholders and the employees for their continued support throughout.

by order of the Board of Directors  
for **PNB Finance and Industries Limited**

SD/-

**Rakesh Dhamani**  
Director  
DIN: 07065199

SD/-

**Shweta Saxena**  
Director & Company Secretary  
DIN: 03120958  
M.No: A18585

**Place: New Delhi**  
**Date: July 18, 2022**



# PNB FINANCE AND INDUSTRIES LIMITED

## Annexure-I

### Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries

#### Part "A" Subsidiaries

(Amount in lakhs)

S. No.	Particulars		
1	Name of subsidiary	Esoterica Services Ltd (Earlier Jacaranda Corporate Services Ltd.)	Punjab Mercantile And Traders Ltd.
2	The date since when subsidiary was acquired	20-05-2006	21-06-1972
3	Reporting period of the subsidiary	From April 01, 2021 to March 31, 2022	From April 01, 2021 to March 31, 2022
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	N.A.	N.A.
5	Share capital	20.00	5.00
6	Reserves and surplus #	84,702.59	18,251.16
7	Total assets	1,07,729.21	23,156.48
8	Total liabilities	23,006.62	4,900.32
9	Investments	1,07,441.66	23,155.38
10	Turnover ##	382.83	1.55
11	Profit/ (loss) before taxation	379.26	(7.55)
12	Provision for taxation	65.31	-
13	Profit/(loss) after taxation	313.95	(7.55)
14	Proposed dividend	Nil	Nil
15	Extent of shareholding (%)	100%	100%
	# Other equity amount has been furnished for reserve and surplus.		
	## In absence of turnover, total income comprises other income only has been furnished.		
16	Name of subsidiary which have been liquidiated or sold during the year ended on March 31, 2022	NIL	

As per our report of even date attached

#### For Awatar & Co.

Chartered Accountants  
Firm Regn. No. 000726N  
SD/-  
**Brijendra Agrawal**  
Partner  
Membership No. 087787

#### for and on behalf of the Board of Directors

SD/-  
**Govind Swarup**  
Director  
DIN: 00003145

SD/-  
**Ashish Verma**  
Director  
DIN: 06939565

Place: New Delhi  
Date: May 26, 2022

SD/-  
**Shweta Saxena**  
Director & Company Secretary  
DIN: 03120958/M.No: A18585

SD/-  
**Viveka Nand Jha**  
Chief Financial Officer  
PAN - AEXPJ2176H

## Annexure-II

**Form No. MR-3**  
**Secretarial Audit Report**  
**For the Financial Year ended 31<sup>st</sup> March, 2022**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and**  
**Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,

PNB Finance and Industries Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by **PNB Finance and Industries Limited**, a company registered under the Companies Act, 1913 having its Registered Office at 1st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi -110002 (**hereinafter called “the Company”**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our examination and verification of the Company’s secretarial books, papers, minute books, forms and returns filed and other registers and records as maintained by the Company under Companies Act, 2013 and Securities Laws as applicable to the Company and also the information(s) and explanation(s) provided to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- (v) Other laws applicable to the Company:-
  - a. Non- Banking Financial Company – Non-Systematically Important Non-Deposit taking Company ( Reserve Bank) Directions, 2016
  - b. All other compliances related to NBFC applicable to the Company.

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with The Calcutta Stock Exchange
- III. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

As per the information(s) furnished and explanation(s) as provided by the Company, its officers, agents and authorized representatives, there were no other sector specific laws applicable to the Company or on its type of Industry except as mentioned above for the financial year ended March 31, 2022.

We further report that, we have checked the Compliance Management System of the Company on the basis of Compliance Certificates issued by the Company Secretary of the Company and the Chief Financial Officer of the Company so as to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of applicable Laws, Rules, Regulations and Guidelines and its verification was done on test check basis. However, I have not made a detailed examination of the said records. I believe that the audit evidence which have been obtained is sufficient and appropriate to provide a reasonable basis for my audit. In my opinion and to the best of my information and according to explanations given to me, I believe that there are adequate systems and processes in the Company commensurate with the size and operations of the Company and the nature of its business to monitor and ensure compliance of laws specifically applicable to the Company.

## PNB FINANCE AND INDUSTRIES LIMITED

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We, further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors during the period under review. No change in the Board of the Company during the year.

We further report that the compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws has not been reviewed; since the same have been reviewed by Statutory Auditors and other designated professionals and we have relied upon the same.

Adequate notices were given to all the Directors to schedule the Board Meetings and its Committees Meetings. Notice along with Agenda and detailed notes on agenda were sent at least seven days in advance and as system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**For Balraj Sharma & Associates**  
**Company Secretaries**  
SD/-

**Balraj Sharma**  
**(Proprietor)**

**FCS No.: 1605**

**C P No.:824**

**UDIN: F001605D000390158**

**PR Certificate: 1463/2021**

**Place: New Delhi**

**Date: May 25, 2022**

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

**“Annexure-A”**

To,

The Members

PNB Finance and Industries Limited

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. Further the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Balraj Sharma & Associates**  
**Company Secretaries**  
SD/-

**Balraj Sharma**  
**(Proprietor)**

**FCS No.: 1605**

**C P No.:824**

**UDIN: F001605D000390158**

**PR Certificate: 1463/2021**

**Place: New Delhi**

**Date: May 25, 2022**

**Annexure-III**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

**1. Brief outline on CSR Policy of the Company:**

Pursuant to Section 135 of the Companies Act, 2013, the Board had approved a CSR policy with primary focus on education, healthcare, women empowerment. Besides these focus areas, the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR policy of the Company can be viewed on [www.pnbfinanceindustries.com](http://www.pnbfinanceindustries.com)

**2. Composition of CSR Committee:** Not Applicable

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company** <https://pnbfinanceandindustries.com/cor.html>

**4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.** Not Applicable

Sl. No.	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
Not applicable			

**6. Average net profit of the company as per section 135(5):** ₹ 7,77,44,008

**7. a) Two percent of average net profit of the company as per section 135(5)** ₹ 15,54,880

**b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year** NA

**c) Amount required to be set off for the financial year:** NA

**d) Total CSR obligation for the financial year (7a+7b- 7c):** ₹ 15,54,880

**8. (a) CSR amount spent or unspent for the financial year:**

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Total amount spent for the financial year. (in ₹)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of fund	Amount	Date of transfer
₹ 15,54,880*	Nil	NA	NA	Nil	NA

**c) Details of CSR amount spent against ongoing projects for the financial year:**

S. No	Name of project	Item from the list of activities in Schedule VII to the Act	Local Area (Y/N)	Location of the Project		Project Duration	Amount Allocated for the project	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration No
1	Education	Promoting education	No	Delhi, Uttar pradesh	New Delhi, Gautam Buddha Nagar	36 months	15,54,880	15,54,880*	NIL	No	Times Foundation	CSR00021643

## PNB FINANCE AND INDUSTRIES LIMITED

- d) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable
- e) Amount spent in Administrative Overheads: NIL
- f) Amount spent on Impact Assessment, if applicable: NA
- g) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 15,54,880\*
- h) Excess amount for set off, if any:

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 15,54,880
(ii)	Total amount spent for the Financial Year	₹ 15,54,880*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year , if any	NIL
(v)	Amount available for set off in succeeding financial year [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial year : NIL
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):  
NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135: Not Applicable

\*Total CSR obligation of the Company for the financial year 2021-22 was ₹ ₹ 15.55 Lakhs and Company has contributed the same to the Times Foundation in the month of March 2022. Times Foundation has identified certain projects for CSR spending and utilization of the CSR amount contributed by the Company shall be made in due course of time.

by order of the Board of Directors  
for PNB Finance and Industries Limited

SD/-  
**Rakesh Dhamani**  
Director  
DIN: 07065199

SD/-  
**Shweta Saxena**  
Director & Company Secretary  
DIN: 03120958  
M.No: A18585

Place: New Delhi  
Date: July 18, 2022



## Annexure-IV

### REPORT ON CORPORATE GOVERNANCE

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

Corporate Governance has indeed been an integral part of the way we have done business for several decades. This emanates from our strong belief that governance is integral for creating value on a sustainable basis. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

#### 1. BOARD OF DIRECTORS

##### a) Composition and meetings of directors

The composition of the Board is in conformity with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("herein referred to as SEBI Listing Regulations") as well as the Companies Act, 2013.

The Corporate Governance philosophy of the Company establishes that the Board's independence is essential to bring objectivity and transparency in the management and in the dealings of the Company. As on March 31, 2022, the Board consists of five directors. Four of them are non-executive independent directors and one is whole time director of the Company.

Ms. Saumya Agarwal, a Woman Director, in the category of Independent Director, is on the Board of your Company in Compliance with Regulation 17(1) of Listing Regulations and applicable provisions of the Act. Ms. Saumya Agarwal was re-appointed as an Independent Director of the Company at the 126<sup>th</sup> Annual General Meeting of the Company held on September 30, 2021, to hold office for a second term of 5 (five) consecutive years, i.e. upto May 27, 2026.

During the financial year under review, the Board met five times on June 24, 2021, August 12, 2021, November 10, 2021, February 08, 2022 and March 07, 2022. The gap between any two meetings did not exceeded 120 days.

Board Meetings dated June 24, 2021, August 12, 2021, November 10, 2021, February 08, 2022 were chaired by Mr. Govind Swarup, non-executive independent director of the Company and the meeting of the Board dated March 07, 2022 was chaired by Mr. Rakesh Dhamani, non-executive independent director of the Company.

The name and categories of the directors, their attendance at the Annual General Meeting and Board meeting held during the financial year 2021-22 and also their other directorship/chairmanship held in Indian public companies, listed companies and membership/ chairmanship of various Board committees of other Indian public companies as on March 31, 2022 are as under:

Name of director	Attendance at		Number of other directorships in other public companies #	Directorship in other listed companies	Number of committee membership in other companies	Number of committee chairmanship in other companies
	Board meeting (Total 5 meetings held)	126 <sup>th</sup> AGM held on September 30, 2021				
Non-Executive Independent Directors						
Mr. Govind Swarup	4	Yes	3	0	0	0
Mr. Rakesh Dhamani	5	Yes	6	0	0	0
Mr. Ashish Verma	3	No	1	0	0	0
Ms. Sumya Agarwal	3	Yes	2	0	0	0
Ms. Shweta Saxena	5	Yes	5	0	0	0

- (i) As required under Regulation 26 of the SEBI Listing Regulations, the disclosure includes membership/chairmanship of the audit committee and stakeholders relationship committee in other Indian public companies (listed and unlisted).
- (ii) # Excludes directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

## Key Skills, Expertise, and Core Competencies of the Board

The Board of the Company comprises of experienced and well learned members. These Directors are nominated on basis of well-defined selection criteria. The Nomination and Remuneration committee considers, *inter-alia*, key qualifications, skills, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director and ensures that the candidates identified for appointment.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board: Accountancy, Economics, Corporate management, Corporate Law, Finance, Taxation, Law and Investment Analyst.

Director	Skills / expertise / competence
Mr. Ashish Verma	Legal Expertise
Mr. Govind Swarup	Corporate Management
Mr. Rakesh Dhamani	Finance, Taxation, Accountancy & Corporate Management
Ms. Saumya Agarwal	Investment analyst
Ms. Shweta Saxena	Corporate laws, Secretarial & Legal work

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

The Company issues formal letter of appointment to Independent directors in the manner as provided in the Companies Act, 2013 and SEBI Listing Regulations. The terms and conditions of appointment are disclosed on the website of the Company.

There is no relationship between the directors *inter-se*.

All statutory and other important items/information including those envisaged in SEBI Listing Regulations, are regularly provided to the Board and the Committees thereof either as part of agenda papers well in advance of the Board meetings, or are tabled in the course of the Board meetings and/ or its Committees to enable the Board/ Committees to discharge their responsibilities effectively and to take informed decision.

## b) Directors remuneration

The non-executive directors, apart from receiving sitting fees for attending Board and committee meetings, do not have any other material pecuniary relationship or transaction with the Company. Non-executive directors were paid sitting fees of ₹ 20,000 for each board meeting and committee meetings attended by them.

The Company has not implemented any stock option scheme.

The details of remuneration paid to the non-executive directors during the financial year 2021-2022 are as follows:

Name of director	Sitting fee (in ₹)		
	Board meeting	Audit Committee meeting	Stakeholders Relationship Committee meeting
Mr. Govind Swarup	80,000	1,00,000	80,000
Mr. Rakesh Dhamani*	NIL	NIL	NIL
Mr. Ashish Verma	60,000	N.A.	80,000
Ms. Saumya Agarwal	60,000	N.A.	N.A.

N.A.- Not a member of committee

\*Mr. Rakesh Dhamani had given letter of waiver of sitting fees for the Board/Committee meetings to the Company.

Remuneration payable to whole time director of the Company for the financial year 2021-22 is ₹ 21.81 Lakh.

As on March 31, 2022 none of the director holds any shares in the Company.

## c) Code of Conduct

The Company has formulated and implemented a code of conduct for all Board members and senior management personnel of the Company in compliance with Regulation 26(3) of SEBI Listing Regulations. It also includes the duties of independent director as laid down in Companies Act, 2013. The code is available on the Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com).

A declaration affirming compliance with the code of conduct by the members of the board and senior management personnel is given below:-

### DECLARATION ON THE COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

In compliance with the provisions of Regulation 26(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all the members of the Board and the senior management personnel have confirmed to and complied with the Code of Conduct during the year under review and that there has been no instance of violation of the Code.

	SD/- <b>Shweta Saxena</b> Director & Company Secretary DIN: 01320958 M.No : A18585	SD/- <b>Rakesh Dhamani</b> Director DIN: 07065199
Place: New Delhi		
Date: July 18, 2022		

## d) Familiarization program for independent directors

The Company has formulated a policy to familiarize the independent directors of the Company with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Details of directors familiarization program is available on Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com).

## e) Confirmation by the Board on fulfilment of independence of the independent director

The Board hereby confirms that, in the opinion of the Board, the independent directors and fulfils the conditions specified in the SEBI Listing Regulations and are independent of the management.

## 2. COMMITTEES OF THE BOARD

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the Company, the Board has constituted following committees with distinct role, accountability and authority:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders Relationship Committee;

Particulars of meeting of Board Committees held during financial year 2021-22 along with attendance of the members at such committee meeting(s) are detailed herein:

Committees of the Board	Meetings held	Meetings held				
		Govind Swarup	Rakesh Dhamani	Ashish Verma	Shweta Saxena	Saumya Agarwal
Audit Committee	5	5	5	NA	5	NA
Nomination and Remuneration Committee	3	3	2	NA	NA	3
Stakeholders Relationship Committee	4	4	3	4	NA	NA

- (i) NA- Not a member of the Committee
- (ii) Necessary quorum was present in the meetings.

Details of Board Committees are as mentioned herein:

## a) AUDIT COMMITTEE

### i) Composition

In compliance with Section 177 of the Act read with rules made thereto and Regulation 18 of the Listing Regulations, as on March 31, 2022, the Audit Committee of the Board comprised of two (2) non-executive independent directors i.e. Mr. Govind Swarup (Chairman) and Mr. Rakesh Dhamani (member) and one executive, whole time director i.e. Ms. Shweta Saxena (member). All members of Audit Committee possess rich knowledge and expertise in financial and management fields.

### ii) Audit committee meetings

During the year under review, the Committee met Five (5) times i.e. on June 07, 2021, June 24, 2021, August 12, 2021, November 10, 2021 and February 08, 2022. The gap between any two Committee meetings did not exceeded 120 days. All the recommendations made by the Audit Committee have been accepted by the Board.

The Chairman of the Audit Committee, Mr. Govind Swarup was present at the Annual General Meeting held on September 30, 2021 through Video Conferencing facility to reply to the shareholders' queries. The Company Secretary acts as the Secretary of the Committee.

Minutes of each Audit Committee are placed before the Board for confirmation at its immediately succeeding meeting. Additionally, in compliance with requirements of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee reviews operations of subsidiary companies and statement of investments etc.

### ii) Terms of reference:

The terms of reference of the Audit Committee include, *inter alia*, overseeing the Company's financial reporting process, internal control systems, reviewing the accounting policies and practices, reports of the Company's internal auditors and financial statements audited by the statutory auditors and reviewing financial and risk management policies. The Committee has the authority to investigate into or review any matter in relation to any items specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose they have full access to the information contained in the records of the Company and seek external advice, if necessary.

## b) NOMINATION AND REMUNERATION COMMITTEE

### i) Composition

As on March 31, 2022, the Nomination and Remuneration Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Govind Swarup as Chairman, Mr. Rakesh Dhamani and Ms. Saumya Agarwal as its members and the Company Secretary acts as the Secretary of the Committee.

### ii) Nomination and Remuneration Committee Meetings

During the financial year ended March 31, 2022, the Committee met three (3) times i.e. on June 17, 2021, August 11, 2021 and January 28, 2022.

The Chairman of the Nomination and Remuneration Committee, Mr. Govind Swarup was present at the Annual General Meeting held on September 30, 2021 through Video Conferencing facility to reply to the shareholders' queries.

### iii) Terms of reference

The terms of reference of the Nomination and Remuneration Committee include:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director

and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and employees;

3. To devise a policy on Board diversity;
4. Formulation of criteria for evaluation of performance of independent directors and the Board;
5. Ensure that the Board comprises of a balanced combination of executive directors and non- executive directors and also the independent directors; and
6. Decide/ approve details of fixed components and performance linked incentives along with criteria.
7. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **iv) Performance Evaluation Criteria for Independent Directors**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. Performance of each of the Independent Directors is evaluated every year by the entire Board with respect to various factors such as personal traits which includes business understanding, communication skills, ability to exercise objective judgment in the best interests of the Company.

### **c) STAKEHOLDERS RELATIONSHIP COMMITTEE**

#### **(i) Composition**

As on March 31, 2022, the Stakeholders Relationship Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Rakesh Dhamani as Chairman and Mr. Govind Swarup and Mr. Ashish Verma as its members. Ms. Shweta Saxena, Company Secretary and whole-time director, is the compliance officer of the Company.

The Chairman of the Stakeholders Relationship Committee, Mr. Rakesh Dhamani was present at the Annual General Meeting held on September 30, 2021 through Video Conferencing facility to reply to the shareholders' queries.

#### **(ii) Stakeholders relationship committee meetings**

During the year under review, four (4) Meetings of the Stakeholders Relationship Committee were held i.e. on June 17, 2021, August 11, 2021, November 09, 2021 and February 7, 2022.

#### **(iii) Brief terms of reference**

The terms of reference of the Stakeholders Relationship Committee include:

- 1) to review and redress the grievances of the shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- 2) to review measures taken for effective exercise of voting rights by shareholders;
- 3) to review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- 4) to review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant/ annual reports/ statutory notices by the shareholders of the Company.
- 5) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **(iv) Investors' grievances received and resolved during the year**

During the year under review, the Company and the Registrar & Share Transfer Agent did not receive any complaint pertaining to investor related matters.



### 3. INDEPENDENT DIRECTORS' MEETING

Section 149 of the Act read with Schedule IV and rules made thereunder and Regulation 25 of the Listing Regulations mandates that the independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of the non-independent directors and members of the Management.

During the year under review, the independent directors met one time on February 11, 2022 *inter-alia* to:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 4. PERFORMANCE EVALUATION

The Board has carried out annual performance evaluation of its own performance, the directors individually as well as evaluated the working of its Audit, Nomination and Remuneration and Stakeholder Relationship Committee.

#### a) Personal traits for individual directors

- Highest personal and professional ethics, integrity and values;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent judgment;
- Self-confidence to contribute to Board deliberations, and stature such that other Board members will respect his or her views.

#### b) Organisational traits for non-independent directors

- Knowledge of the affairs of the Company;
- Contribution towards growth strategies of the Company;
- Expert opinion in respect of key issues brought to their attention;
- Resolution of conflict of interest issues of other directors;
- Maintaining the corporate culture of the Company;
- Adhering to the code of conduct, SEBI Regulations and timely furnishing to the Company required disclosures under various applicable laws, change of interest and change in personal information.

#### c) Organisational traits for independent directors

- Attendance and participations in the meetings;
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings;
- Cordial interpersonal relations with other directors and management while maintaining a firm stance on governance issues;
- Objective evaluation of Board's performance, rendering independent and unbiased opinion on matters brought to their attention;
- Adherence to ethical standards and code of conduct including code of conduct as specified in Schedule IV to the Companies Act, 2013 and timely furnishing to the Company required disclosures under various applicable laws, change of interest and change in personal information.

#### d) Traits for Board/Committees

Improvement in effectiveness goes beyond imposing a structure or requiring attendance at Board meetings. Surely these contribute to the Board governance building blocks, but to evaluate the Board's/committee's effectiveness in the organizational context, the following four criteria need to be examined:

- **Structural:** Right composition with elements which goes beyond what is prescribed by regulators; brings diversity, experience, specialized skills and expertise.

- **Strategic and performance orientation:** This demonstrate good understanding of strategy and staying focused on relevant areas; engages in important Company matters at oversight level and not management level.
- **Governance and organizational focus:** Rigorously monitors the Company’s performance along with the ability to understand and deal with factors having a significant bearing on the operations of the Company.
- **Board functioning and team dynamics:** Manner in which directors interact with each other and with the management and also consider the framework and conduct of the Board.

## 5. GENERAL BODY MEETINGS

The details of the Annual General Meetings (AGM) of the Company held during the last three years are as under:

Financial year	Day	Date	Time	Venue
2018-19	Tuesday	September 17, 2019	10:30 A.M.	Institute of Engineer Bhawan, 2 <sup>nd</sup> Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002
2019-20	Wednesday	September 30,2020	10.00 A.M	Conducted through Video Conference as per MCA Circulars
2020-21	Thursday	September 30,2021	10.00 A.M	Conducted through Video Conference as per MCA Circulars

Special resolution passed during three years:

- Re-appointment of Mr. Mohit Jain and Mr. Ashish Verma as Non-Executive Directors of the Company for second term at the 124<sup>th</sup> Annual General Meeting of the Company held on September 17, 2019.
- Re-appointment of Mr. Govind Swarup, as Non-Executive Directors of the Company for second term at the 125<sup>th</sup> Annual General Meeting of the Company held on September 30, 2020.
- Re-appointment of Ms. Saumya Agarwal, as Non-Executive Directors of the Company for second term at the 126<sup>th</sup> Annual General Meeting of the Company held on September 30, 2021.

No EGM was held during the year 2021-22. Further, no resolutions were implemented through postal ballot during the year under review, nor any such resolutions are presently proposed.

## 6. DISCLOSURES BY MANAGEMENT

- a) No material, financial and commercial transactions were reported by the management to the Board, in which the management or directors, their associates or their relatives, etc. had personal interest having a potential conflict with the interest of the Company at large. The Company has complied with the accounting standard on related party disclosure during the financial year 2021-22 and the ‘Related Party Disclosures’ have been given at note no. 27 in the notes to financial statements. The Company’s policy on materiality of related party transactions is available on the Company’s Website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)
- b) There was no non-compliance during the last three years by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by stock exchanges, SEBI or any statutory authority.
- c) The Company did not raise any funds through public issue, right issue, preferential issue etc. during the financial year.
- d) With respect to CFO certification, a certificate signed by Mr. Viveka Nand Jha, CFO is attached with this report.
- e) The Company has established whistle blower and vigil mechanism policy and this policy enables the employees and directors to report their genuine concerns or grievances. This policy (copy of which is hosted on the website of the Company) safeguards whistle blowers from victimization. Your Board affirms that no personnel have been denied access for making disclosure or report under the Policy to the Audit Committee.
- f) All mandatory requirements (except where not relevant or applicable) of Corporate Governance have been complied. The Company has not adopted any of the non-mandatory requirements. The Company has accepted all recommendations made by the Committees of the Company.
- g) The Company has prepared its financial statement in accordance with Ind AS.

- h) The Company has in place internal control systems for assessing and mitigating elements of risks in relation to its operations which are followed scrupulously in day to day functioning of the Company. The Board of Directors annually reviews the risk assessment & minimization policy of the Company.
- i) The Policy on determining material subsidiaries has been uploaded and can be accessed on Company's Website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)
- j) The Policy on related party transactions has been uploaded and can be accessed on Company's Website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)
- k) The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The policy is available on our website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)
- l) The Board of Directors reviews the compliance with all applicable laws on a quarterly basis. The Company has obtained certificate from M/s Balraj Sharma and Associates, Company Secretaries affirming the compliances with these regulations and forms part of this report.
- m) The Company has obtained certificate from M/s Balraj Sharma and Associates, Practising Company Secretaries, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies either by SEBI or MCA or any other statutory authorities.
- n) During the year under review, the Company has complied with all the provisions as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 as applicable on the Company and other applicable Regulations of the SEBI Listing Regulations.
- o) Since the Company has less than ten employees, it is not required to form committee for the redressal of complaints under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- p) No Loans and advances in the nature of loans to firms/companies in which directors are interested are provided.
- q) Remuneration details of Ms. Shweta Saxena pursuant to Schedule V of Companies Act:
- **Tenure:** Appointed for a period of five years with effect from August 27, 2020
  - **Notice period:** 2 months
  - **Stock option:** None
  - **Remuneration details:**

Particulars	Amount in Rs. (monthly)
Basic salary	85,000
House rent allowance	42,500
Special pay	1,18,000
Other perks*	31,983
Provident fund	10,200
<b>Remuneration</b>	<b>2,87,683</b>
Gratuity	4,089
<b>Total remuneration</b>	<b>2,91,772</b>

\*It includes conveyance, leave travel allowance, telephone allowance & mediclaim will be paid as per Company's Policy.

- r) The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by statutory auditors for the financial year 2021-22 are given below:

S. No.	Nature of service	₹ in lakh
1.	Audit fees	0.85
2.	Certification and out of pocket expenses	0.12
3.	GST	0.17
	<b>Total</b>	<b>1.14</b>

## 7. MEANS OF COMMUNICATION

The quarterly/ half-yearly/ annual financial results of the Company are regularly submitted to the stock exchange immediately after the same are reviewed by the Audit Committee and approved by the Board of Directors. The results of the Company are usually published in “The Pioneer” (Delhi edition-in Hindi) and “Mint” (All edition-in English) and are also displayed on Company’s website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com).

Further, going forward the quarterly/ half-yearly/ annual financial results of the Company will be published in “Financial Express” (All edition-in English) and “The Pioneer” (Delhi edition-in Hindi).

## 8. SHAREHOLDERS’ INFORMATION

In view of the ongoing Covid-19 crisis, Ministry of Corporate Affairs (hereinafter referred as ‘MCA’) has issued circular dated May 05, 2022 in continuation of general circular 20/2020 dated May 5, 2020 (collectively referred as “Circulars”) whereby MCA has allowed companies for conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) which became due in the year 2022. Similarly Securities and Exchange Board of India (hereinafter referred as ‘SEBI’) vide its circular dated May 13, 2022 has extended certain relaxation to listed entities for holding AGM as provided through Circular no. SEBI/HO/CFD/CMD2/ CIR/P/2022/62.

In line with the above given circulars and guidelines issued by MCA and SEBI, Company is conducting 127<sup>th</sup> Annual General Meeting of the members through VC.

Detailed instructions with respect to access and participation in the AGM through VC are detailed in the notice.

<b>a. Annual General Meeting</b> Date, time & venue Date of book closure Date of payment of dividend	September 30,2022 September 24,2022-September 30,2022 No dividend
<b>b. Financial year</b>	1 <sup>st</sup> April - 31 <sup>st</sup> March
<b>c. Financial calendar (tentative)</b> Financial reporting for the quarter ending on June 30, 2022 Financial reporting for the quarter ending on September 30, 2022 Financial reporting for the quarter ending on December 31, 2022 Financial reporting for the year ending on March 31, 2023	Last week of July 2022 Last week of October 2022 Last week of January 2023 Last week of April 2023
<b>d. Listing on stock exchanges (equity shares)</b> The equity shares of the Company are listed at The Calcutta Stock Exchange situated at 7, Lyons Range, Kolkata, West Bengal-700 001 having scrip code 26055. The annual listing fee for the financial year 2021-22 has been paid within stipulated time period. Annual custodian fee for the financial year 2021-22 have also been paid to CDSL and NSDL.	
<b>e. Stock market data</b> No trading took place during the last financial year at The Calcutta Stock Exchange Limited.	
<b>f. Share transfer system</b> Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25,2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz.Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Subdivision/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.	
<b>g. Dematerialisation of shares and liquidity</b> Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. January 29, 2001, as per notification issued by SEBI. As on March 31, 2022, 99.32% (31,78,427 shares) of equity shares have been dematerialised. The ISIN no. allotted to the Company is INE057F01011.	

**h. Due dates of transfer of unclaimed dividend to Investor Education and Protection Fund**

Information in respect of unclaimed dividend of the Company for the subsequent financial years and date(s) when due for transfer to IEPF is given below:

Financial year ended	Date of declaration of dividend	Due date of transfer to IEPF
31.03.2015	22.09.2015	28.10.2022
31.03.2016	30.09.2016	05.11.2023
31.03.2017	26.09.2017	01.11.2024
31.03.2018	27.09.2018	02.11.2025
31.03.2019	17.09.2019	22.10.2026
31.03.2020	30.09.2020	05.11.2027
31.03.2021	30.09.2021	05.11.2028

The total amount lying in the unpaid dividend account of the Company as on March 31, 2022 in respect of the last seven years is ₹ 3.16 Lakhs.

**i. Distribution of shareholding as on March 31, 2022**

Shareholding nominal value (₹)	Number of shareholders	% to total numbers	Shareholding value	% to total value
Upto 5,000	787	92.37	439880.00	1.37
5,001 - 10,000	34	3.99	260660.00	0.81
10,001 - 20,000	9	1.06	130140.00	0.41
20,001 - 30,000	4	0.47	97050.00	0.30
30,001 - 40,000	2	0.23	70510.00	0.22
40,001 - 50,000	2	0.23	92150.00	0.29
50,001 - 100,000	3	0.35	241570.00	0.75
Above 100,000	11	1.29	30668040.00	95.84
<b>Total</b>	<b>852</b>	<b>100.00</b>	<b>32000000.00</b>	<b>100.00</b>

\*Including fractional coupons comprising 131 equity shares not yet exchanged

\*Details are given on basis of PAN consolidation

**j. Shareholding pattern as on March 31, 2022**

Category	Number of shares	Percentage
<b>A. Promoters' holding</b>	NIL	NIL
<b>B. Non-Promoters' holding</b>		
(a) Institutional investors	10449	0.33
(b) Others		
1. Private bodies corporate	2188591	68.39
2. Indian public	904868	28.27
3. NRIs	21985	0.69
4. Hindu undivided family	2568	0.08
5. Others (IEPF, Trusts)	71539	2.24
<b>TOTAL</b>	<b>3200000*</b>	<b>100</b>

\*Including fractional coupons comprising 131 equity shares not yet exchanged

## 9. OUTSTANDING ADRS/ GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has not issued any ADRs/ GDRs/warrants or any convertible instruments.

## 10. INVESTOR CORRESPONDENCE

Ms. Shweta Saxena  
Director & Company Secretary  
PNB Finance and Industries Limited  
1<sup>st</sup> Floor, Express Building, 9-10, Bahadur Shah Zafar Marg,  
New Delhi-110002  
CIN - L65929DL1947PLC001240  
Email ID- [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com)  
Phone: +91-7303495375

## 11. FOR TRANSFER/DEMAT/DUPLICATE: CHANGE IN ADDRESS, ETC.

Skyline Financial Services Private Limited  
D-153/A, 1st Floor, Okhla Industrial Area, Phase- I  
New Delhi-110020  
Phone No.: 011-26812682/83  
Email: [info@skylinerta.com](mailto:info@skylinerta.com)



## CFO CERTIFICATION

The Board of Directors,  
**PNB Finance and Industries Limited**

Dear Sir,

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that:

- 1) I have reviewed the financial statements and the cash flow statement for the year 2021-22 and to the best of my knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- 3) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps I have taken or propose to take to rectify these deficiencies.
- 4) I have indicated to the auditors and the Audit Committee:
  - i) that there are no significant changes in internal control systems during the year.
  - ii) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes of the financial statement; and
  - iii) that there have been no instance of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For **PNB FINANCE AND INDUSTRIES LIMITED**

SD/-

**Place: New Delhi**  
**Date : May 19,2022**

**Viveka Nand Jha**  
Chief Financial Officer

## CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of  
PNB Finance and Industries Limited,

We have examined the compliance of conditions of Corporate Governance by PNB Finance and Industries Limited (“the Company”) for the year ended 31st March, 2022, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange.

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

**For Balraj Sharma & Associates  
Company Secretaries**

SD/-

**(Balraj Sharma)**

**FCS-1605, CP-824**

**UDIN: F001605D000523698**

**PR Certificate: 1463/2021**

**Date: June 23,2022**

**Place: New Delhi**

# PNB FINANCE AND INDUSTRIES LIMITED

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**PNB FINANCE AND INDUSTRIES LIMITED**  
1st Floor, Express Building, 9-10,  
Bahadur Shah Zafar Marg,  
New Delhi - 110002

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PNB Finance And Industries Limited, having CIN L65929DL1947PLC001240, and having registered office at 1st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi - 110002 (**hereinafter referred to as 'the Company'**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Govind Swarup	00003145	29/06/1984
2.	Ms. Shweta Saxena	03120958	27/08/2020
3.	Mr. Ashish Verma	06939565	02/08/2014
4.	Mr. Rakesh Dhamani	07065199	16/04/2018
5.	Ms. Saumya Agarwal	07517809	27/05/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Balraj Sharma & Associates**  
Company Secretaries

SD/-

(Balraj Sharma)  
FCS-1605, CP-824

UDIN: F001605D000881286

Date: June 18, 2022

Place: New Delhi

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Macro Economic View

According to the International Monetary Fund (IMF) in its World Economic Outlook of April 2022, world GDP expanded by 6.1 per cent in 2021 as against a contraction of 3.1 per cent in the previous year. After a sharp setback due to the virulent Delta variant of the coronavirus in the early part of 2021, the global recovery had regained some traction even as paths of growth were widely differentiated across jurisdictions by the size and durability of monetary and fiscal stimuli, and access to vaccines. Global growth lost pace in the second half of the year, beset by the highly transmissible but milder variant of COVID-19 – Omicron. Despite these waves superimposed on global supply chain and logistics disruptions, global trade recovered in the second half of the year and grew by 10.1 per cent in 2021.

In 2021-22, India renewed its tryst with the recovery that had commenced in the second half of 2020-21 with the abatement of the first wave. The second wave took a grievous toll, however, pushing the nation into arguably the worst health crisis the country had ever faced. Supported by continuing fiscal measures and congenial financial conditions engendered by monetary, regulatory and liquidity initiatives undertaken by the Reserve Bank, including some unconventional ones, the real GDP bounced back in Q2:2021-22 and grew at 1.3 per cent over Q2:2019-20. The recovery was further entrenched in Q3:2021-22 with GDP exceeding the corresponding pre-pandemic quarter by 6.2 per cent. In Q4, however, the third wave of the pandemic driven by the Omicron variant and more recently, geopolitical conflict has caused a loss of pace in the recovery and darkened the outlook.

Turning to financial conditions, money markets were flush with abundant liquidity, with short-term interest rates aligned to the floor of the Reserve Bank's liquidity adjustment facility (LAF), although they did firm up in the second half of the year as a result of rebalancing of liquidity towards auctions and away from the fixed rate reverse repo, a cessation of large liquidity injections through secondary market asset purchases and the lapsing of some extraordinary measures on due dates.

In the debt markets, yields hardened in the second half of the year and spreads widened as market sentiment turned bearish on large issuances by governments (centre and states) and the recurring incidence of global spillovers as monetary policy stances diverged across the world.

Financing conditions in the corporate bond market remained accommodative, with compression in credit spreads. During 2021-22, the monthly average yield on AAA-rated 3-year bonds of public sector undertakings (PSUs), financial institutions (FIs) and banks, NBFCs and corporate paper hardened by 3 bps, 29 bps and 32 bps, respectively. The average yield on AAA-rated 3-year bonds stood at 5.84 per cent for PSUs, FIs and banks, 5.98 per cent for NBFCs, and 5.88 per cent for corporates in March 2022.

The equity markets commenced the year with modest losses due to a sudden spike in COVID-19 cases, sell-off by FPIs, decline in the manufacturing PMI to a 7-month low and imposition of fresh lockdown-like restrictions in some parts of the country. However, strong corporate earnings for Q4:2020-21 and positive cues from the global markets amidst a swift vaccine roll-out and fiscal stimulus measures lifted investor sentiment towards the end of the quarter. As a result, the market rebounded in May 2021 with the announcement of a series of liquidity enhancing measures by the Reserve Bank and upbeat corporate results.

### Industry Developments

A revised regulatory framework for non-banking financial companies (NBFCs) - called the 'scale-based regulation' - has been put in place, considering their growing size, complexity and interconnectedness. The new regulatory structure for NBFCs comprises of four layers based on their size, activity, and perceived riskiness, and encompasses different facets of regulation covering capital requirements, governance standards and prudential regulation, amongst others, and will be effective from October 1, 2022. To introduce activity-based regulation in the microfinance sector and to further strengthen the customer protection measures for microfinance borrowers, a comprehensive regulatory framework for microfinance loans of all regulated entities (REs) of the Reserve Bank was issued on March 14, 2022 which has become effective from April 1, 2022. Moreover, guidelines on the distribution of dividends by NBFCs were finalised during the year.

In order to facilitate development of a robust market in credit risk transfer and greater investor participation in stressed loans, revised guidelines on 'Securitisation of Standard Assets' and 'Transfer of Loan Exposures' were issued on September 24, 2021.

In the supervisory sphere, the Reserve Bank continued with its endeavour of strengthening the existing frameworks under a unified Department of Supervision (DoS) in which the supervision of banks, urban cooperative banks (UCBs), and NBFCs is being undertaken in a holistic manner.

Technology has been effectively leveraged in several aspects across off-site surveillance, on-site assessment, development of Early Warning Signals (EWS) and fraud risk management. For NBFCs, the supervisory reporting system has been rationalised and redesigned. The data capabilities of the Reserve Bank will be further upgraded through the revamped data warehouse, viz., Centralised Information Management System (CIMS). On the other hand, the College of Supervisors (CoS) organised a wide range of programmes to enhance the skill sets of supervisory and regulatory resources during the year.

## Company Performance

Your Company continues to be Systematic Important Non deposit taking Non-Banking Investment Company. The Company invests in mutual funds, perpetual bonds, NCD's, corporate deposits, equity shares of quoted and unquoted companies & fixed deposits. The Company continued with its policy of investing in low-risk investment instruments.

The Company has earned net profit of Rs. 810.59 lakhs during the year 2021-2022. The Company has generated major income this year due to the decision to churn the portfolio of low yield investments in anticipation of higher returns in the future.

## Opportunities

The RBI has been continually strengthening the supervisory framework for NBFCs in order to ensure sound and healthy functioning and avoid excessive risk taking. It has issued several new guidelines in the recent past.

## Threats

The uncertainties and volatility in the financial market is a continuing threat to the organizational performance. However, the twin features of fore-sightedness and focused analysis of the market has challenged the threat to adverse performance.

## Risk and Concern

Your Company is exposed to normal industry risk such as interest rates, market and operational risks. In order to mitigate the risk, your Company invest the surplus funds in growth schemes primarily seeking to generate long term capital appreciation commensurate with prudent risk from a portfolio comprised substantially of high quality securities.

## Internal control systems & their adequacy

The Company believes in the system of internal controls and has provided for proper checks and control at various operational levels.

## Material developments in Human Resources / Industrial Relations front, including number of people employed.

There has been positive working relationship between the Company and the employees of the Company during the year.

The Company strives to provide conducive working environment to its employees and to maintain the pace with the economic situations, Company has always focused on enhancing the efficiency of the employees including restructuring their compensation, work duration, working conditions e.t.c. Accordingly, the Company has also provided work from home facility to its employees and evaluated the performance of employees during the year under review to retain the motivation among the employees of the Company.

During the year under review, no employees has been employed by the Company.

# PNB FINANCE AND INDUSTRIES LIMITED

## REPORT PURSUANT TO NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2016 AS ISSUED BY RESERVE BANK OF INDIA

To  
The Board of Directors,  
PNB Finance and Industries Ltd.  
1st Floor, Express Building,  
9-10 Bahadur Shah Zafar Marg,  
Delhi-New Delhi- 110 002

### Matters to be reported as per paragraph 3 of the Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

- A) (i) The Company is duly registered with the Reserve Bank of India (hereinafter referred as the "Bank") as an NBFC and has obtained the Certificate of Registration (CoR) vide certificate No. B-14.00572 dated 26/03/1998.
- (ii) The Company is entitled to continue to hold such Certificate of Registration (CoR) in terms of its Principal Business Criteria (Financial asset/income pattern) asset/income pattern as on March 31, 2022.
- (iii) The Company is meeting the required Net Owned Fund requirement as laid down in the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Net Owned Fund as on 31<sup>st</sup> March 2022 is amounting to **Rs. 119.70 Crore.**
- B) Since the company does not hold public deposits and neither has it accepted public deposits during the year, therefore the matters specified in this paragraph are not applicable to the company.
- C) i) The Board of Directors has passed a resolution dated April 28, 2021 for non-acceptance of any public deposits during the Financial Year 2021-22.
- ii) The company has not accepted any public deposits during the year ended 31<sup>st</sup> March, 2022.
- iii) Since the Company has not accessed any public funds and does not have any customer interface during the year ended 31<sup>st</sup> March, 2022 and accordingly the directions related to Prudential Regulations as contained in the Chapter V of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is not applicable on the company, hence the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts are not applicable to the company.
- iv) The Company is a Systemically Important Non- Deposit taking NBFC and
- (a) has submitted to Bank in XBRL DNBS03 form on provisional basis wherein the capital adequacy ratio has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Bank;
- (b) has furnished to the Bank the applicable quarterly statement in XBRL DNBS03 form wherein capital funds, risk assets/exposures and risk asset ratio has been furnished within the stipulated period.
- Note:** As explained to us, while calculating Capital Fund, & Risk Assets and Risk assets ratio, unrealized gains arising on fair valuation of financial instruments (as Investments) have been excluded/ not been considered in terms of the provisions of RBI circular no. RBI/2019 20/170/DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020.
- v) Since the Company is not a NBFC-Micro Financial Institutions (MFI) as defined in paragraph 3 (xx) of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the matters specified in this paragraph are not applicable to the Company.
- D) Since the Company has not obtained any specific advice from the bank that it is not required to hold Certificate of Registration from the Bank; the matters specified in this paragraph are not applicable to the Company.

For A W A T A R & C O.  
Chartered Accountants  
Firm Registration No.000726N  
SD/-  
(Brijendra Agrawal )  
Partner  
Membership No .087787

Date : May 26, 2022

UDIN: 22087787ALMMLL4310



## INDEPENDENT AUDITORS' REPORT

### **TO THE MEMBERS OF PNB FINANCE AND INDUSTRIES LIMITED**

#### **Report on the Audit of the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

#### **Opinion**

We have audited the accompanying standalone Financial Statements of **PNB Finance And Industries Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Statement (of Cash Flow for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2022, the Profit (financial performance), other comprehensive income, change in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

#### **Other Information**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to the Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditors’ report thereon.

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

In connection with our audit of standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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 Act with respect to the preparation of these standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

In preparing the standalone Financial Statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on the standalone financial statements based on our audit. In conducting 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.

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these audit matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent as 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- D. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- E. On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- G. With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;
- i) The Company did not have any long-term contracts and had no derivative contract outstanding as at 31<sup>st</sup> March, 2022.
- ii) There has been no delay in transferring amount required to be transferred to the Investor Education and Protection fund.
- iii) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (d) The Company has declared and paid dividend during the year.

**For A W A T A R & C O.**  
**Chartered Accountants**  
**Firm Registration No. 000726N**  
SD/-

**Brijendra Agrawal**  
**Partner**

**Place : New Delhi**  
**Date : May 26, 2022**      **Membership No. : 087787**  
**UDIN : 22087787AJPYKS5015**

## ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of **PNB FINANCE AND INDUSTRIES LIMITED** for the year ended 31<sup>st</sup> March, 2022)

i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment so as to cover all the assets. As explained to us, physical verification has been carried out by the Company and no discrepancy was noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) Based on our examination, we report that, the company does not own / hold any immovable property as at the balance sheet date, hence to that extent paragraph 3 (ii) (c) of the Order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipments during the year. According to the records examined by us, the company does not have any intangible assets and right of use Assets. Thus paragraph 3 (i) (d) of the Order is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii) In respect of the Company's Inventory

- (a) There is no inventory held by the Company, hence, paragraph 3 (ii) (a) of the Order is not applicable to Company.
- (b) The Company has not been sanctioned any working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Hence, paragraph 3 (ii) (b) of the Order is not applicable to Company.

iii) The Company has not provided any loans or advances

in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.

- iv) The Company has neither given any loans, guarantee and security covered under Section 185 and 186 of the Act during the year under audit. However, Investments made by the Company during the year are in compliance with the provisions of Section 186 of the Act.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits during the year and hence paragraph 3 (v) of the Order is not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under Sub Section (1) of Section 148 of the Companies Act, 2013 for any of the products/services of the Company.
- vii) (a) According to the records examined by us, the Company is generally regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, GST, Customs Duty, Excise Duty, VAT and Cess and any other statutory dues applicable to it

According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last date of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, GST, value added tax, cess and other statutory dues which have not been deposited on account of disputes.

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

- ix) (a) Based on our audit procedures and according to the information given by the management, the company has not taken any loans or borrowings from any financial institution, bank, government, or any other entity. Hence paragraph 3 (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) The company has not obtained any term loans.



- (d) Based on our audit procedures and according to the information given by the management, the company has not raised any funds on short-term basis. Hence paragraph 3 (ix)(c) of the Order is not applicable to the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised any money by way of any initial public offer or further public offer (including debt instrument) during the year. Hence clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible). Hence clause 3(x)(b) of the Order is not applicable.
- xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company has not received any whistle blower complaints during the year.
- xii) The Company is not a Nidhi Company. Hence clause 3 (xii) of the Order is not applicable to the Company.
- xiii) As explained to us and as per the records of the company, in our opinion the transactions with the related parties are in Compliance with Section 177 and Section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv) In respect of Internal Audit :-
- (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) During the year, the Company has not entered into any non-cash transaction with Directors or person connected with him. Hence, clause 3 (xv) of the Order is not applicable to the Company
- xvi)(a) The Company is duly registered under section 45-1A of the Reserve Bank of India Act, 1934.
- (b) The company is a registered NBFC-Investment and Credit Company duly registered under section 45-1A of the Reserve Bank of India Act, 1934. It has carried out investment activities during the year. It has not carried out any Housing Finance activities during the year.
- (c) In our opinion, the company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Hence, clause 3(xvi)(c) of the Order is not applicable.
- (d) As per information and explanations given to us, there is no Core Investment Company in the Group. Hence clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year or in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date..
- xx) In respect of Corporate Social Responsibility (CSR)
- (a) In respect of other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects, requiring a transfer, to a Special account in compliance with the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year

**For A W A T A R & C O.**  
**Chartered Accountants**  
**Firm Registration No. 000726N**

SD/-

**Brijendra Agrawal**  
**Partner**

**Place : New Delhi**

**Membership No. : 087787**

**Date : May 26, 2022**

**UDIN : 22087787AJPYKS5015**

## **ANNEXURE-B**

### **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PNB FINANCE AND INDUSTRIES 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 **PNB Finance And Industries Limited** ("the Company") as of March 31, 2022 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based

on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 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 I/we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 2022, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”

**For A W A T A R & C O.**  
**Chartered Accountants**  
**Firm Registration No. 000726N**

SD/-

**Brijendra Agrawal**  
**Partner**

**Place : New Delhi**  
**Date : May 26, 2022**

**Membership No. : 087787**  
**UDIN : 22087787AJPYKS5015**

# PNB FINANCE AND INDUSTRIES LIMITED

## BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at 31.03.2022 (₹ in lakh)	As at 31.03.2021 (₹ in lakh)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2 (I)	3.97	1.94
Bank balances other than above	2 (II)	1,304.10	1,248.28
Investments	3	1,78,135.77	1,81,389.69
Loan	4	126.00	126.00
Other financial assets	5	346.55	265.91
<b>Non financial assets</b>			
Current tax assets (net)	6	16.96	35.81
Deferred tax assets (net)	7	3.51	1.97
Property, plant and equipments	8	1.65	0.49
Other non -financial assets	9	0.51	0.51
<b>Total</b>		<u>1,79,939.02</u>	<u>1,83,070.60</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables			
Other payables			
Total outstanding dues of micro and small enterprises	10	-	-
Total outstanding dues of creditor other than micro and small enterprises		3.67	3.51
Other financial liabilities	11	3.16	3.64
<b>Non- financial liabilities</b>			
Provisions	12	12.02	6.98
Deferred tax liabilities	13	39,112.87	38,267.43
Other non-financial liabilities	14	7.04	7.56
<b>Equity</b>			
Equity share capital	15	320.00	320.00
Other equity	16	1,40,480.26	1,44,461.48
<b>Total</b>		<u>1,79,939.02</u>	<u>1,83,070.60</u>
<b>Significant accounting policies and notes on financial statements</b>	1-41	-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

SD/-

**Brijendra Agrawal**

Partner

Membership No. 087787

Place: New Delhi

Date: May 26, 2022

for and on behalf of the Board of Directors

SD/-

**Govind Swarup**

Director

DIN: 00003145

SD/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

SD/-

**Ashish Verma**

Director

DIN: 06939565

SD/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

# PNB FINANCE AND INDUSTRIES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>INCOME :</b>			
<b>Other income</b>			
Interest income	17	514.77	510.52
Dividend income from equity instruments		158.49	-
Net gain on fair value changes	18	497.73	3.78
Others	19	15.01	0.03
<b>Total income</b>		<b>1,186.00</b>	<b>514.33</b>
<b>EXPENSES :</b>			
Employee benefits expense	20	43.99	38.23
Depreciation and amortization expense	21	0.42	0.16
Other expenses	22	154.82	94.70
<b>Total expenses</b>		<b>199.23</b>	<b>133.09</b>
<b>Profit before tax</b>		<b>986.77</b>	<b>381.24</b>
<b>Tax expense :</b>			
Current tax		171.93	63.77
Deferred tax charge/(-)credit		(0.75)	(0.18)
Reversal of deferred tax liability of earlier year		-	(0.24)
Earlier year tax provision (net)		5.00	-
Total tax expenses		176.18	63.35
<b>Profit after tax for the year (A)</b>		<b>810.59</b>	<b>317.89</b>
<b>Other comprehensive income (OCI)</b>			
<b>(I) Items that will be reclassified to the profit or loss</b>			
Fair value changes in debt instruments through OCI		264.52	415.21
Less: reclassified to profit or loss from OCI on sale		(497.73)	(3.78)
Less: income tax effect on above		42.28	(91.57)
	(I)	<b>(190.93)</b>	<b>319.86</b>
<b>(II) Items that will not be reclassified to the profit or loss</b>			
Fair value changes in equity instruments through OCI		(3,770.03)	21,616.81
Less: income tax effect on above		(887.72)	(4,811.04)
Profit on sale of equity instruments through OCI		94.53	-
Less: income tax effect on above		(16.52)	-
Remeasurement of the defined benefit plans		(2.74)	0.31
Less: income tax effect on above		0.80	(0.09)
	(II)	<b>(4,581.68)</b>	<b>16,805.99</b>
<b>Total other comprehensive income, net of tax (B= I+II)</b>		<b>(4,772.61)</b>	<b>17,125.85</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>(3,962.02)</b>	<b>17,443.74</b>
<b>Earnings per equity share</b>	23		
(Face value of ₹ 10/- each)			
Basic (in ₹)		25.33	9.93
Diluted (in ₹)		25.33	9.93
<b>Significant accounting policies &amp; notes on financial statements</b>	1-41		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

Sd/-

**Brijendra Agrawal**

Partner

Membership No. 087787

Place: New Delhi

Date: May 26, 2022

for and on behalf of the Board of Directors

Sd/-

**Govind Swarup**

Director

DIN: 00003145

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Ashish Verma**

Director

DIN: 06939565

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

# PNB FINANCE AND INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	986.77	381.24
<b>Adjustment for:</b>		
Dividend income	(158.49)	-
(Gain)/loss on sale of investments (realised)	(497.73)	(3.78)
Interest on investments in bonds, debentures & deposit	(461.70)	(444.63)
Interest income on loan to subsidiary company	(8.82)	(8.82)
Premium (net of discount) on bonds amortised	9.63	10.49
Interest on fixed deposits with bank	(53.88)	(67.56)
<b>Non - cash items :</b>		
Provision for leave encashment and gratuity (net)	2.30	0.70
Depreciation	0.42	0.16
Amount written off	0.55	-
Provision no longer required written back	(0.03)	-
Rounding off adjustment	-	(0.01)
<b>Operating profit before working capital changes</b>	<b>(180.98)</b>	<b>(132.21)</b>
Adjustments for changes in working capital:		
(Increase)/ decrease in other non-financial assets	-	(0.29)
Increase/(decrease) in other payables	0.19	0.62
Increase/(decrease) in other non-financial liabilities	(0.52)	3.88
Cash generated from /(used in) operations	<b>(181.31)</b>	<b>(128.00)</b>
Income tax paid(net of refund)	<b>(175.14)</b>	<b>(70.93)</b>
<b>Net cash from/(used in) operating activities</b>	<b>(356.45)</b>	<b>(198.93)</b>
	<b>A</b>	
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(1.58)	(0.30)
Dividend received	158.49	-
Interest received (includes TDS) on deposits, bonds and FDR	434.89	443.84
Investments in bonds and deposits (includes accrued intt.)	-	(177.00)
Maturity of investment in bonds and deposits	317.00	-
Maturity of fixed deposits	1,244.64	1,166.00
Fixed deposits with bank made	(1,300.94)	(1,244.64)
Interest received (includes TDS) on loan given to subsidiary	8.88	11.99
Purchase of investments in mutual funds & others	(2,744.00)	(310.50)
Proceeds from sale of shares	94.53	-
Proceeds from sale/redemption of mutual funds	2,165.77	324.80
<b>Net cash from/(used in) investing activities</b>	<b>377.68</b>	<b>214.19</b>
	<b>B</b>	

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(19.20)	(19.20)
<b>Net cash from/(used in) financing activities</b>	<b>(19.20)</b>	<b>(19.20)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2.03</b>	<b>(3.94)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1.94</b>	<b>5.88</b>
<b>Total cash and cash equivalents at the end of the year</b>	<b>3.97</b>	<b>1.94</b>
<b><u>Components of cash and cash equivalents:</u></b>		
Balances with bank in current accounts	3.94	1.91
Cash on hand	0.03	0.03
<b>Total</b>	<b>3.97</b>	<b>1.94</b>

Note : (i) The above Cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".

(ii) Previous year figures have been regrouped/ rearranged wherever considered necessary.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

Sd/-

**Brijendra Agrawal**

Partner

Membership No. 087787

Place: New Delhi

Date: May 26, 2022

for and on behalf of the Board of Directors

Sd/-

**Govind Swarup**

Director

DIN: 00003145

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Ashish Verma**

Director

DIN: 06939565

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

# PNB FINANCE AND INDUSTRIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### A. Equity Share Capital

(₹ in lakh)

Particulars	Balance as at 31 <sup>st</sup> March 2020	Changes during the year	Balance as at 31 <sup>st</sup> March 2021	Changes during the year	Balance as at 31 <sup>st</sup> March 2022
Equity Shares	320.00	-	320.00	-	320.00
	320.00	-	320.00	-	<b>320.00</b>

### B. Other Equity

(₹ in lakh)

Particulars	Reserves and surplus					Accumulated balance of other comprehensive income (OCI)		Total other equity
	Securities premium	General reserve	Special reserve u/s 45-IC of RBI Act, 1934	Retained earnings (surplus)	Others (remeasurement of defined benefit plan)	Debt instruments through OCI	Equity instruments through OCI	
<b>Balance as at March 31, 2020</b>	<b>103.91</b>	<b>1,475.16</b>	<b>2,127.15</b>	<b>6,781.10</b>	<b>0.61</b>	<b>580.90</b>	<b>1,15,968.11</b>	<b>1,27,036.94</b>
<b>Changes during the year ended March 31, 2021 :</b>								
Add : profit/(-) loss for the year	-	-	-	317.89	-	-	-	317.89
Add : other comprehensive income for the year :								
Fair value changes of financial instruments through OCI (net of reclassification)	-	-	-	-	-	411.43	21,616.81	22,028.24
Income tax on above	-	-	-	-	-	(91.57)	(4,811.04)	(4,902.61)
Remeasurement of defined benefit plan (net of tax)	-	-	-	0.22	-	-	-	0.22
Add : remeasurement balances transferred	-	-	-	0.61	(0.61)	-	-	-
Less : dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : transfer to general reserve	-	20.00	-	(20.00)	-	-	-	-
Less : transfer to special reserve	-	-	59.74	(59.74)	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>103.91</b>	<b>1,495.16</b>	<b>2,186.89</b>	<b>7,000.88</b>	<b>-</b>	<b>900.76</b>	<b>1,32,773.88</b>	<b>1,44,461.48</b>
<b>Changes during the year ended March 31, 2022 :</b>								
Add : profit/(-) loss for the year	-	-	-	810.59	-	-	-	810.59
Add : other comprehensive income for the year :								
fair value changes of financial instruments through OCI (net of reclassification)	-	-	-	-	-	(233.21)	(3,770.03)	(4,003.24)
Income tax on above	-	-	-	-	-	42.28	(887.72)	(845.44)
Profit on sale of equity instruments (net of tax)	-	-	-	-	-	-	78.01	78.01
Remeasurement of defined benefit plan (net of tax)	-	-	-	(1.94)	-	-	-	(1.94)
Less : profit (net) on sale of equity instruments transferred	-	-	-	78.01	-	-	(78.01)	-
Less : dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : transfer to general reserve	-	20.00	-	(20.00)	-	-	-	-
Less : transfer to special reserve	-	-	158.28	(158.28)	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>103.91</b>	<b>1,515.16</b>	<b>2,345.17</b>	<b>7,690.06</b>	<b>-</b>	<b>709.83</b>	<b>1,28,116.13</b>	<b>1,40,480.26</b>

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

Sd/-

**Brijendra Agrawal**

Partner

Membership No. 087787

Place: New Delhi

Date: May 26, 2022

for and on behalf of the Board of Directors

Sd/-

**Govind Swarup**

Director

DIN: 00003145

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Ashish Verma**

Director

DIN: 06939565

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Corporate Overview

PNB Finance and Industries Limited ('the company') is a public limited company domiciled and incorporated in India under the provisions of Indian Companies Act.

The company's registered office is at Ist Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110 002, India.

The Shares of the company is listed with The Calcutta Stock Exchange Ltd. The Company is an NBFC Company, registered with RBI as NBFC Company as Non –Deposit taking company in 1998.

Presently, the company is not engaged in any business operations, except investment in surplus funds in low-risk instruments and earning income therefrom.

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.1 Basis of preparation of Financial Statements:

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and disclosures are made in accordance with the requirement of Division III of Schedule III of the Companies Act, 2013 (the Act) and other relevant provisions of the Act and RBI guidelines/ regulation as an NBFC Company to the extent applicable.

The financial statements are authorised for issue by the Board of Directors on May 26, 2022.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured and carried at Fair Value (refer accounting policy regarding Financial Instruments).

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency.

All amounts have been rounded-off to the nearest lakhs (up to two decimal point), as per the requirements of Schedule III, unless otherwise stated.

#### 1.2 Significant accounting judgments, estimates and assumptions:

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, financial assets, non-financial assets, financial and non-financial liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual may differ from these estimates.

The information about each of these estimates and judgements is included in relevant notes. Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

#### 1.3 : Revenue Recognition

Income is recognized on accrual basis to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Where significant uncertainty exists on realization of revenue at the time of accrual, underlying revenue is not recognized to that extent.

- **Interest income**

Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the EIR, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income on Bank Deposits and other non -financial deposits is recognized on accrual basis considering, the amount invested/ outstanding / and the rate of interest applicable.

Interest on tax refund is accounted for on receipt basis.

- **Dividend income**

Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established and it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

Dividend income from Equity Instruments measured at fair value through Other Comprehensive income has been recognised in the statement of profit and loss.

Interest and Dividend is included under Other Income in Statement of Profit and Loss.

## 1.4 Property, plant and equipment:

- **Recognition and measurement**

Property, Plant & Equipments (PPE) is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The Cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable expenses for bringing the assets to their present location and conditions for its intended use.

When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE. All other expenses on an existing PPE including day to day repair and maintenance expenditure and cost of replacing parts (other than major components), are charged to the statement of profit and loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other Non -Financial assets.

- **Disposal**

An item of PPE is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE and are recognised within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation on Property, Plant & Equipment (PPE) is provided on written down value as per rates arrived at based on useful life and manner prescribed under Schedule II of the Companies Act, 2013.

In case Addition /Deletion of PPE during the year, Depreciation on those PPEs has been provided for on a pro rata basis from the date of such addition or, as the case may be, up to the date of deletion of such asset.

## 1.5 Impairment of Property, Plant and Equipment and Other Non -financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which the assets is identified as impaired. The impaired loss recognized in prior accounting periods is reversed / adjusted, if there has been a change in the estimate of the recoverable amount.

## 1.6 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## 1.7 Fair value measurement:

The Company measure financial instruments such as Investments in Debt Mutual Funds and in Equity shares (other

than investment in Subsidiaries/Associates) at fair value at each reporting (Balance sheet) date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to fair value measurement as a whole :

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 1.8 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### **a. Initial Recognition and Measurement**

Financial assets are initially recognised on the trade date i.e. the date that the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. Financial Assets which are not at fair value through Profit and loss, are at fair value plus transaction costs that are directly attributable to the acquisition of such Financial Assets. Transaction costs of those financial assets carried at "fair value through profit or Loss" are expensed in Statement of profit and loss.

Financial Assets are classified at the initial recognition as Financial Assets measured at Amortised Costs or at Fair value.

#### **b. Subsequent Measurement**

For subsequent measurement, financial assets are broadly classified in two broad categories:

- Financial Assets carried at Amortised Cost,

- Financial Assets at Fair Value [Either through Other Comprehensive income (FVTOCI) Or through Profit or Loss (FVTPL)]

For assets classified as “at Fair value”, gains and losses are either recognised in Statement of profit and loss or recognised in Other Comprehensive Income, as elected. For Assets classified as “at Amortised Cost”, this will depend on the business model and contractual terms of the cash flows.

i) **Financial Assets carried at Amortised Cost :**

A Financial Asset is measured at Amortised Cost if it meets the following two conditions:

- (a) Business Model Test: The objective of the company’s business model is to hold the financial assets to collect contractual cash flows.
- (b) Cash flow characteristic Test: The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets i.e. Debentures, Bonds and Corporate Deposits etc. meeting the above conditions are measured at Amortised Cost and Interest income from such financial assets has been recognised using the effective Interest rate.

ii) **Financial Assets at fair value through Other Comprehensive Income (FVTOCI) :**

A Financial Asset is subsequently measured at fair value through Other Comprehensive Income if :

- (i) The objective of the business model is achieved by both collecting contractual cash flows and selling Financial Assets and
- (ii) The contractual terms of the Financial Asset represent solely payments of principal and interest on the principal amount outstanding.

The Dividend Income on Financial Assets at FVTOCI is recognised under Profit or Loss. The company’s Investments in Financial Assets i.e. Debt Instruments being Debt based Mutual Funds are measured at fair value through Other Comprehensive Income (OCI) and Fair value changes on these financial assets are recognised in OCI.

On derecognition/ sale of Investments measured at FVTOCI, the Fair value changes (on other than Equity Instruments measured at FVTOCI) in OCI, are subsequently reclassified to the statement of profit and loss.

iii) **Financial Assets at fair value through Profit or Loss (FVTPL) :**

A Financial Asset which is not classified in any of the above categories are measured at fair value through Profit or Loss.

Equity instruments which are held for trading are required to measure at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

**Equity Instruments at Fair value through Other Comprehensive Income**

For Equity Instruments, the company may make an irrevocable election to present subsequent changes in the fair value through Other Comprehensive Income. The Company makes such election on an instrument-by-instrument basis.

For investments in Equity Shares (not held for trading and other than Investment in Subsidiary /Associates), the Company has made an irrevocable election to account for these at Fair value through other comprehensive income (FVTOCI).

If the company decides to classify an Equity Instruments as at FVTOCI, then all fair value changes on such instruments excluding dividend income, are recognised in the Other Comprehensive income (OCI). Dividend on equity instrument measured at FVTOCI is recognised at Statement of Profit and Loss.

Fair Value changes on these equity instruments never recycled (not subsequently transferred/reclassified) from OCI to Profit or Loss, however on de-recognition / sale of the equity instruments measured at FVTOCI, cumulative Gain or Losses are transferred/ reclassified within Equity i.e. Balance of Cumulative gain or Losses transferred to Retained earnings.

## c. Investments in Subsidiary

The Company's Investment in Subsidiaries are recognised at Cost as per Ind AS 27. Cost represents amount paid for acquisition of the said investments.

The company assesses at the end of each reporting period, if there are any indication that the said investments may be impaired. If impairment exists, the company estimates the recoverable value/ amount of the investments and provides for impairment, if any i.e. the deficit in the recoverable amount / value over cost. The impairment loss, if any, is recognised in the statement of profit and loss.

On disposal of investments in Subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

## d. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at FVTPL.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets considered for ECL. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the needs to provide for the same in the statement of Profit and Loss.

The company assess impairment based on Expected credit losses (ECL) model for the following :

- (1) Financial Assets measured at Amortised Cost,
- (2) Financial Assets measured at FVTOCI,
- (3) Other Financial Assets like Trade/ Other receivables.

The Company follows "Simplified Approach" for recognition of Impairment loss allowance on trade receivables. For application of "Simplified Approach" the company does not require to track changes in credit risk instead the company uses the provision matrix to determine loss allowance on Trade / Other receivables.

ECL is the difference between all contractual cash flows that are due to the company in accordance with contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

The Company' investment in Debt Instruments (Fixed income securities being Bonds, Corporate Deposits, Debentures etc.), the risk parameters like tenor, the probability of default, tracking of ratings etc. for each of these instruments/ Issuer ratings etc. is considered in estimating probable credit losses over balance tenor of these instruments.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss.

However, ECL impairment loss allowance (or reversal) if any, on Equity Shares measured at Fair value through OCI (FVTOCI) has been recognized through other comprehensive income.

ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the Balance sheet. ECL reduces the net carrying amount, unless the financial asset meets write off criteria, the company does not reduce impairment allowance from the Gross carrying amount.

## Financial Liabilities

### a. Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of borrowings and Payables, net of directly attributable transaction costs.

The company's financial liabilities include Trade/ other payables having short maturities.

### b. Subsequent Measurement

Financial Liabilities comprises Interest bearing Borrowings (from Banks/others) if any, are carried at amortized cost using the effective interest method.

For trade and other financial liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **Derecognition of Financial Assets and Liabilities**

### **Financial Assets**

A Financial assets is derecognised by the Company only when :

- (i) The contractual rights to the cash flows from the Financial Asset expired OR
- (ii) The Company has transferred the right to receive cash flow from financial assets and where the entity has transferred the assets, the company evaluates whether it has transferred substantially all risk and rewards of ownership of such financial assets. OR
- (iii) In any other case, transfer qualifies for other de-recognition criteria under Ind- AS 109.

### **Financial Liabilities**

A Financial liability (or a part thereof) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired.

### **Reclassification of Financial Assets and Liabilities**

The company does not reclassify its financial assets subsequent to initial measurement, apart from exceptional circumstances as permitted. Financial Liabilities are not reclassified.

### **Off setting**

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

## **1.9 Employee benefits:**

- **Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

### **Defined contribution plans**

Employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both employees and employer make monthly contributions to the plan at a pre determined rate of employee's basic salary. These contributions are made to a Central Government's employees provident organisation account (EPFO) Contributions by Company to Provident Fund are expensed in the Statement of Profit and Loss, when the contributions are due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

### **Defined benefit plans**

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.



## **Other long-term employee benefits (Compensated leaves)**

The employees can carry-forward a portion of the unutilized accrued leave and utilize it in future service periods or receive cash compensation on resignation/termination of employment.

Accumulated Leaves, which is expected to be utilised within the next 12 months, is treated as Short term employee benefit. Since a substantial part of the compensated leaves do not fall due wholly within 12 months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within 12 months after the end of such period, the benefit of such leaves is classified as a long-term employee benefit.

The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method at year end.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the Statement of profit and loss.

## **1.10 Income tax:**

Income tax expense comprises Current Tax, Deferred tax and Earlier Year Tax, if any.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the current tax / deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

- **Current tax**

Current tax Expenses or credit for the period is the tax payable on the current period's taxable income based on the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year under the provisions of the Income-tax Act, 1961 is charged to the statement of profit and loss as current tax for the year.

Minimum Alternate Tax (MAT) Credit, if applicable is recognised as Deferred tax asset only when and to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses/tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences/credits and losses.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

The carrying amount of Deferred Tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

## 1.11 Provisions and contingent Liabilities:

The company creates a provision when there is present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Contingent liability is not recognised but disclosed in the case of :

- (i) A present obligation that arising out of past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- (ii) A present obligation that arising out of past events , when no reliable estimate of the amount is possible,
- (iii) A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

## 1.12 Earnings per share (EPS):

Basic earnings per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the financial year.

The weighted average number of equity shares outstanding during the year/period and all periods presented is adjusted for events, such as bonus equity shares, other than the conversion of potential equity shares that have changed the no. of equity shares outstanding without a corresponding change in resources.

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

## 1.13 Dividend on Equity Shares:

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 2 CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>2 (I) : Cash and cash equivalents</b>		
Balances with Bank :		
In current account with HDFC Bank	3.94	1.91
Cash on hand	0.03	0.03
<b>Sub total-I</b>	<b>3.97</b>	1.94
<b>2 (II) : Bank balance other than above (I)</b>		
Fixed deposits with HDFC Bank #	1,300.94	1,244.64
Earmarked balances with HDFC Bank (in unclaimed dividend accounts)	3.16	3.64
<b>Sub total-II</b>	<b>1,304.10</b>	1,248.28
<b>Total (I+II)</b>	<b>1,308.07</b>	1,250.22

# During the previous year ended March 31, 2020, the Company had provided to HDFC Bank its fixed deposit as margin in connection with "bank guarantee for a sum of Rs. 150 lakh in favour of The National Stock Exchange Ltd" obtained by its wholly owned subsidiary company i.e. Punjab Mercantile & Traders Ltd. The validity of bank guarantee is up to 07-08-2020 with extended claim period up to 07-08-2021.

**3 INVESTMENTS**

(Investment in India & other than trade)

Particulars	Face value per share/ bond/unit (in ₹)	As at March 31, 2022		As at March 31, 2021	
		Units/bonds/shares in No.*	Value (₹ in lakh)	Units/bonds/shares in No.*	Value (₹ in lakh)
<b>(1) In debt mutual funds</b>					
<b>(a) Quoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Current</b>					
Kotak FMP Series 251 - 1265 Days Direct Plan Growth (Maturity -10-05-2022)	10	50,00,000	653.45	50,00,000	627.37
Nippon India Fixed Horizon Fund-XXXVII Series IV-Growth-Direct (Earlier Reliance FHF-XXXVII) (Maturity Date -05-04-2022)	10	14,50,000	188.30	14,50,000	188.30
<b>Total [1(a)]</b>			<b>841.75</b>		<b>815.67</b>
<b>(b) Unquoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Non current</b>					
Aditya Birla Sun Life Corporate Bond Fund -Direct-Growth (Earlier Aditya Birla Sun Life Short Term Fund -Direct -Growth)	10	-	-	13,68,378	1,186.83
Aditya Birla Sun Life Floating Rate Fund - Direct - Growth	10	55,367	156.99	-	-
HDFC Ultra Short term Fund - Direct - Growth	10	20,96,822	260.27	-	-
HDFC Ultra Short term Fund - Direct - Growth (Amount invested on 31-03-2022, however 6,60,203.064 no. of Units @12.4204 per unit allotted on 04-04-2022)	10		82.00	-	-
ICICI Prudential Short Term Fund-Direct Plan- Growth	10	25,023	12.77	1,08,466	52.74
IDFC Bond Fund- Medium Term Plan-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	34,72,694	1,408.26	34,72,694	1,342.10
IDFC Corporate Bond Fund -Direct Plan -Growth	10	1,86,323	29.89	1,86,323	28.45
IDFC Bond Fund- Short Term Plan-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	1,24,739	61.12	4,00,224	187.55
Kotak Banking & PSU Debt Fund - Direct- Growth	10	28,15,142	1,528.09	28,15,142	1,450.46
UTI Treasury Advantage Fund- Direct Plan Growth	1,000	307	8.89	11,852	313.49
<b>Total [1(b)]</b>			<b>3,548.28</b>		<b>4,561.62</b>
<b>(2) Equity mutual funds</b>					
<b>Unquoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Non current</b>					
ICICI Prudential Bluechip Fund- Direct Plan Growth	10	27,02,728	1,909.21	-	-
<b>Total [2]</b>			<b>1,909.21</b>		<b>-</b>
<b>(3) In bonds / NCDs</b>					
<b>Quoted</b>					
<b>(Carried at amortised cost)</b>					
<b>Current</b>					
8.60% EXIM Bonds,Taxable Perpetual Bonds (Call Date-31-03-2022)	10,00,000	-	-	14	139.53
<b>Non current</b>					
9.56%, State Bank of India Perpetual Bond (Call date : 04-12-2023)	10,00,000	100	1,001.36	100	1,002.27
9.45%, State Bank of India Bonds,Taxable Perpetual Bonds (Call Date-22-03-2024)	10,00,000	199	2,006.02	199	2,015.21
8.40%, TATA Capital Financial Services Ltd, (Secured NCD-Series -III), (5 Years & Call Date- 26-08-2024)	1,000	50,000	500.00	50,000	500.00
8.20% TATA Capital Housing Finance Ltd, (Secured, Non-Convertible Debentures-Series -III) (5 Years & Call Date-14-01-2025)	1,000	19,000	190.00	19,000	190.00
<b>Total (3)</b>			<b>3,697.38</b>		<b>3,847.01</b>
<b>(4) In corporate deposits</b>					
<b>Unquoted</b>					
<b>(Carried at amortised cost)</b>					
<b>Current</b>					
Deposit (Cumulative) with Mahindra & Mahindra Financial Services Ltd (Rate @ 5.70%) [Maturity Date -25-03-22 & 31-03-22]			-		177.00
Deposit (Cumulative) with HDFC Ltd. (Coupon @ 8.49% & Maturity Date -09-04-2022)			1,000.00		1,000.00
<b>Total (4)</b>			<b>1,000.00</b>		<b>1,177.00</b>

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	Face value per share/ bond/unit (in ₹)	As at March 31, 2022		As at March 31, 2021	
		Units/bonds/shares in No.*	Value (₹ in lakh)	Units/bonds/shares in No.*	Value (₹ in lakh)
<b>(5) In equity shares \$</b>					
<b>(a) Quoted</b>					
(Carried at fair value through OCI (FVTOCI))					
<b>Non current</b>					
<b>Fully paid up shares of :</b>					
Camac Commercial Co. Ltd.	10	35,000	6,231.95	35,000	5,939.61
HDFC Bank Ltd.	1	24,38,280	35,841.50	24,38,280	36,419.37
Susmit Trading Ltd	10	29,400	-	29,400	-
Jantej Commercial Enterprises Ltd.	10	50,000	-	50,000	-
Sagar Investments Ltd.	10	1,00,000	-	1,00,000	-
The Pioneer Ltd.	10	100	-	100	-
<b>Total [5(a)]</b>			<b>42,073.45</b>		<b>42,358.98</b>
<b>(b) Unquoted</b>					
(Carried at fair value through OCI (FVTOCI))					
<b>Non current</b>					
<b>Fully paid up shares of :</b>					
Bennett, Coleman & Co Ltd.	10	2,66,65,848	93,026.48	2,66,65,848	93,549.13
(Includes bonus shares-2,66,63,976)					
Ashoka Viniyoga Ltd	10	55,000	14,516.52	55,000	17,059.13
Excel Publishing House Ltd.	10	23,500	31.44	23,500	29.78
Artee Viniyoga Ltd.	10	2,49,860	3,292.78	2,49,860	3,284.13
Times Internet Ltd.##	10	-	-	4,72,812	52.91
Bennett Property Holdings Company Ltd.#	10	44,44,308	14,165.48	44,44,308	14,629.33
Pearl Printwell Ltd.	10	19,800	-	19,800	-
<b>Total [5(b)]</b>			<b>1,25,032.70</b>		<b>1,28,604.41</b>
<b>(6) Investments in subsidiaries (wholly owned)</b>					
<b>Equity shares - unquoted</b>					
(Carried at cost)					
<b>Non current</b>					
<b>Fully paid up shares of :</b>					
Punjab Mercantile & Traders Ltd.	10	50,000	5.00	50,000	5.00
Esoterica Services Ltd	10	2,00,000	20.00	2,00,000	20.00
(Earlier Jacaranda Corporate Services Ltd.)					
<b>Total [6]</b>			<b>25.00</b>		<b>25.00</b>
<b>(7) Other investment</b>					
<b>Non current</b>					
(Carried at cost)					
Investment in paintings			8.00		-
<b>Total [7]</b>			<b>8.00</b>		<b>-</b>
<b>Grand total (1(a)+1(b)+2+3+4+5(a)+5(b)+6+7)</b>			<b>1,78,135.77</b>		<b>1,81,389.69</b>
<b>Summary of investments :</b>					
<b>Total investments measured &amp; carried :</b>					
At fair value through OCI (FVTOCI)			1,73,405.39		1,76,340.68
At amortised cost			4,697.38		5,024.01
At cost			33.00		25.00
<b>Total</b>			<b>1,78,135.77</b>		<b>1,81,389.69</b>
<b>Total investments current &amp; non-current :</b>					
Current (within 12 months)			1,841.75		316.53
Non -current (long term)			1,76,294.02		1,81,073.16
<b>Total</b>			<b>1,78,135.77</b>		<b>1,81,389.69</b>
<b>Total investments as quoted and unquoted :</b>					
Quoted			46,612.58		47,021.66
Unquoted			1,31,523.19		1,34,368.03
<b>Total</b>			<b>1,78,135.77</b>		<b>1,81,389.69</b>

\*Units are rounded off to the nearest unit.

# In pursuance of scheme of arrangement entered between Bennett, Coleman & Co. Ltd. (BCCL) and Bennett Property Holdings Company Limited (BPHCL) as approved by the Bombay High Court order dated December 02, 2011 the Company has received shares of BPHCL in proportion of 1:6.

## In pursuance of scheme of amalgamation between Times Business Solutions Ltd. and Times Internet Ltd. as approved by Delhi High Court order dated October 17, 2014 Company has received the equity shares of Times Internet Ltd. in the ratio of 100:96 for the equity shares held in Times Business Solutions Ltd.

\$ The fair value change of investment in unquoted equity shares and those quoted shares, which have not been traded / no latest quotes are available, has been considered based on latest available audited financial statements of the respective investee companies.

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)	
<b>4 LOAN</b>			
Loan to subsidiary	126.00	126.00	
<b>Total</b>	<u>126.00</u>	<u>126.00</u>	
<b>5 OTHER FINANCIAL ASSETS</b>			
Interest accrued on loan to subsidiary	1.98	2.04	
Interest accrued on bonds/NCDs and deposits	311.79	223.29	
Interest accrued on bank fixed deposits	32.78	40.58	
<b>Total</b>	<u>346.55</u>	<u>265.91</u>	
<b>6 CURRENT TAX ASSETS (NET)</b>			
(Unsecured, considered good)			
Advance income tax & TDS	269.18	464.15	
Provision for Income tax	(252.22)	(428.34)	
<b>Total</b>	<u>16.96</u>	<u>35.81</u>	
<b>7 DEFERRED TAX ASSETS (NET)</b>			
Deferred tax assets (net) on account of deductible temporary difference between tax base and carrying amount of assets/liabilities :			
On employee benefits liabilities (gratuity & leave encashment)	3.50	1.94	
On property, plant and equipments	0.01	0.03	
<b>Total</b>	<u>3.51</u>	<u>1.97</u>	
<b>Particulars</b>	<b>Tangible Assets</b>		
	<b>Office Equipments (Computers &amp; Others)</b>	<b>Furniture &amp; Fixture</b>	<b>Total</b>
<b>8 PROPERTY, PLANT AND EQUIPMENTS</b>			
<b>At cost</b>			
<b>Gross carrying amount</b>			
<b>Balance as at March 31, 2020</b>	4.17	-	4.17
Rounding off adjustments	0.01		0.01
Additions/ adjustments during the year	-	0.30	0.30
<b>Balance as at March 31, 2021</b>	<u>4.18</u>	<u>0.30</u>	<u>4.48</u>
Additions during the year	1.58	-	1.58
Deletion/disposals during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<u>5.76</u>	<u>0.30</u>	<u>6.06</u>
<b>Accumulated depreciation</b>			
<b>Balance as at March 31, 2020</b>	3.83	-	3.83
Additions during the year	0.13	0.03	0.16

## PNB FINANCE AND INDUSTRIES LIMITED

Particulars	Tangible Assets		
	Office Equipments (Computers & Others)	Furniture & Fixture	Total
Deletion/disposals during the year	-	-	-
<b>Balance as at March 31, 2021</b>	<u>3.96</u>	<u>0.03</u>	<u>3.99</u>
Additions during the year	0.35	0.07	0.42
Deletion/disposals during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<u>4.31</u>	<u>0.10</u>	<u>4.41</u>
<b><u>Net Carrying Amount</u></b>			
<b>As at March 31, 2022</b>	<u>1.45</u>	<u>0.20</u>	<u>1.65</u>
As at March 31, 2021	0.22	0.27	0.49
As at March 31, 2020	0.34	-	0.34

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)
<b>9 OTHER NON-FINANCIAL ASSETS</b>		
(Unsecured, considered good)		
Prepaid expenses	0.51	0.51
<b>Total</b>	<u>0.51</u>	<u>0.51</u>
<b>10 OTHER PAYABLES#</b>		
Payable to micro and small enterprises	-	-
Payable to others	3.67	3.51
<b>Total</b>	<u>3.67</u>	<u>3.51</u>

### Other payables ageing as at March 31, 2022

Particulars	MSME	Others	Disputed dues - 'MSME	Disputed dues - 'Others
<b>Outstanding from due date of payment</b>				
Less than 1 year	-	3.49	-	-
1-2 years	-	0.18	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	-	3.67	-	-

### Other payables ageing as at March 31, 2021

Particulars	MSME	Others	Disputed dues - 'MSME	Disputed dues - 'Others
<b>Outstanding from due date of payment</b>				
Less than 1 year	-	2.96	-	-
1-2 years	-	0.55	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	-	3.51	-	-



## PNB FINANCE AND INDUSTRIES LIMITED

# Based on the information available with the Company in respect of micro, small and medium enterprises, there are no outstanding/ delays in payment of dues to such enterprises. The required details as per The MSMED, 2006 is given below :

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)
<b><u>Dues to micro, small and medium enterprise under the MSMED Act, 2006</u></b>	-	-
a) Interest paid and payments made to the supplier beyond the appointed day .	Nil	Nil
b) Interest due and payable for delay (which has been paid but beyond the appointed day), but without adding the interest under the MSMED Act.	Nil	Nil
c) Amount due and unpaid at the end of accounting year : - Principal amount and Interest due - Interest accrued and remaining unpaid	Nil	Nil
d) Interest remaining due and payable even in the succeeding years.	Nil	Nil
<b>11 OTHER FINANCIAL LIABILITIES</b>		
Unpaid dividends*	3.16	3.64
<b>Total</b>	<u>3.16</u>	<u>3.64</u>
<b>* Unencashed/unclaimed portion only</b>		
<b>12 PROVISIONS</b>		
Provision for employee benefits		
- for leave encashment#	3.46	2.13
- for gratuity#	8.56	4.85
<b>Total</b>	<u>12.02</u>	<u>6.98</u>
# Refer note no. 31 for detail disclosure		
<b>13 DEFERRED TAX LIABILITIES</b>		
Deferred tax liabilities on account of deductible temporary difference between tax base and carrying amount of assets/liabilities :		
Investment in debt instruments (measured at FVTOCI)	215.58	257.86
Investment in equity instruments (measured at FVTOCI)	38,897.29	38,009.57
<b>Total</b>	<u>39,112.87</u>	<u>38,267.43</u>
<b>14 OTHER NON-FINANCIAL LIABILITIES</b>		
<b>Others</b>		
TDS payable	2.65	2.67
GST payable	4.15	4.59
Provident fund payable	0.24	0.18
Other payables	-	0.12
<b>Total</b>	<u>7.04</u>	<u>7.56</u>

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)
<b>15 SHARE CAPITAL</b>		
<b>Equity share capital</b>		
<b>Authorised share capital</b>		
50,00,000 (P.Y. -50,00,000) equity shares of ₹ 10 each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
<b>Issued share capital</b>		
32,00,000 (P.Y. -32,00,000) shares of ₹10 each	320.00	320.00
	<u>320.00</u>	<u>320.00</u>
<b>Subscribed &amp; fully paid share capital</b>		
a) 8,01,288.5 (P.Y. - 8,01,288.5) shares of ₹ 10 each fully paid up. (On reduction of share capital through High Court order dated 15-11-1973)	80.13	80.13
b) 23,98,711.5 (P.Y.-23,98,711.5) shares of ₹ 10 each fully paid up (including 131 equity shares of ₹ 10 each in the form of fractional coupons)	239.87	239.87
<b>Total</b>	<u>320.00</u>	<u>320.00</u>

**(i) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting. The payment of dividend will be made in Indian rupees.

In the event of the liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company, after meeting all liabilities.

**(ii) Reconciliation of equity shares held at the beginning and at the end of the year**

Particulars	As at 31.3.2022		As at 31.3.2021	
	No. of shares	Amount in lakh	No. of shares	Amount in lakh
At the beginning of the year	3,200,000	320.00	3,200,000	320.00
Movement during the year	-	-	-	-
At the end of the year	3,200,000	320.00	3,200,000	320.00

**(iii)** There is no change in the share capital in the period of five years immediately preceding the date as at which the balance sheet is prepared. There has been no allotment of shares pursuant to contract(s) without payment being received in cash or by way of bonus issue and no shares have been bought back in the five years immediately preceding the balance sheet date i.e. March 31, 2022.

**(iv) Details of shareholders holding more than 5 % shares in the Company**

Name of the shareholder	As at 31.3.2022	As at 31.3.2021
	No. of shares	No. of shares
Artee Viniyoga Limited	8,01,710	8,01,710
Ashoka Viniyoga Limited	6,51,660	6,51,660
Camac Commercial Company Limited	5,20,000	5,20,000
Mr. Samir Jain	5,18,827	5,18,827
Mrs. Meera Jain	2,73,604	2,73,604
Combine Holding Limited	1,61,437	1,61,437

**(v) Details of shareholding of promoters in the Company**

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% of total shares	% change during the year	No. of shares held	% of total shares	% change during the year
NIL	NIL	NIL	NIL	NIL	NIL	NIL

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.03.2022 (₹ in lakh)	As at 31.03.2021 (₹ in lakh)
<b>16 OTHER EQUITY \$</b>		
<b><u>I. Reserve &amp; Surplus</u></b>		
<b><u>A. Securities premium</u></b>		
Balance as per last financial statements	103.91	103.91
Add/less : addition/(adjustment) during the year	-	-
<b>Balance at the end of the year</b>	<u>103.91</u>	<u>103.91</u>
<b><u>B. General reserve</u></b>		
Balance as per last financial statements	1,495.16	1,475.16
Add/less : addition/(adjustment) during the year	20.00	20.00
<b>Balance at the end of the year</b>	<u>1,515.16</u>	<u>1,495.16</u>
<b><u>C. Special reserve u/s 45-IC of RBI Act,1934</u></b>		
Balance as per last financial statements	2,186.89	2,127.15
Add/less : addition/(adjustment) during the year	158.28	59.74
<b>Balance at the end of the year</b>	<u>2,345.17</u>	<u>2,186.89</u>
<b><u>D. Retained earnings (surplus)</u></b>		
Balance as per last financial statements	7,000.88	6,781.10
Add/profit for the year	810.59	317.89
Item of OCI recognised directly in retained earnings		
Add : remeasurement of the defined benefit plans (net of tax) for the year	(1.94)	0.22
Add : balance of remeasurement (net) of previous year transferred	-	0.61
Add : profit transferred from OCI on sale of equity instruments	78.01	
Less:- transfer to general reserve	(20.00)	(20.00)
Less:- transfer to special reserve	(158.28)	(59.74)
Less:- dividend paid	(19.20)	(19.20)
<b>Balance at the end of the year</b>	<u>7,690.06</u>	<u>7,000.88</u>
<b><u>E. Other (remeasurement of defined benefit plan)</u></b>		
<b>Opening balance</b>	-	0.61
Less : balances transferred to retained earnings of previous years	-	(0.61)
<b>Closing balance at the end of the year</b>	-	-
<b>Total reserve &amp; surplus at the end of the year (I= A+B+C+D+E)</b>	<u>11,654.30</u>	<u>10,786.84</u>
<b><u>II. Accumulated balance of other comprehensive income (OCI)</u></b>		
<b><u>(F) Debt instruments through OCI</u></b>		
<b>Opening balance</b>	900.76	580.90
Add: fair value changes in debt instruments through OCI for the year	264.52	415.21
Less: reclassified to profit or loss from OCI on sale	(497.73)	(3.78)
Less: income tax effect thereon	42.28	(91.57)
<b>Closing balance at the end of the year</b>	<u>709.83</u>	<u>900.76</u>
<b><u>(G) Equity instruments through OCI</u></b>		
<b>Opening balance</b>	1,32,773.88	1,15,968.11
Add : fair value changes on equity instruments through OCI for the year	(3,770.03)	21,616.81
Less: income tax effect on above	(887.72)	(4,811.04)
Add :profit on sale of equity instruments (net of tax)	94.53	-
Less :income tax effect on above	(16.52)	-
Less :realised profit on sale (net of tax) transferred to retained earnings	(78.01)	-
<b>Closing balance at the end of the year</b>	<u>1,28,116.13</u>	<u>1,32,773.88</u>
<b>Total accumulated balance of OCI at the end of the year (II= F+G)</b>	<u>1,28,825.96</u>	<u>1,33,674.64</u>
<b>Total other equity (I +II)</b>	<u>1,40,480.26</u>	<u>1,44,461.48</u>

## \$ Nature and purpose of reserve

Nature and purpose of each reserve has been disclosed as part of the qualitative disclosure :

### Securities premium

It is created in earlier year, by amount of premium received upon issuance of equity shares. This can be utilised in accordance with provisions of the Companies Act, 2013

### General reserve

The Company continues to transfer certain percentage of profits to general reserve before declaring dividends. This can be utilised in accordance with provisions of the Companies Act, 2013.

### Special reserve u/s 45-IC of RBI Act, 1934

The Company, being an NBFC company, is created a special reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss.

As prescribed by Section 45 IC of the Reserve Bank of India Act, 1934, No appropriation of any sums from the Reserve Fund shall be made by company except for the purpose as may be specified by RBI from time to time.

### Retained earnings (surplus)

It is created out of accretion of profits or loss and represents the amount of accumulated earnings of the Company. It also includes effect of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with provisions of the Companies Act, 2013.

### Accumulated balance of other comprehensive income (OCI)- debt instruments

This reserve represents the cumulative unrealised gains (net of loss) on fair valuation of debt instruments (including debt mutual funds) measured at fair value through other comprehensive income (FVTOCI), net of amount reclassified, if any, to profit or loss, when those instruments are disposed off.

### Accumulated balance of other comprehensive income (OCI)- equity instruments

This reserve represents the cumulative unrealised gains (net of loss) on fair valuation of equity instruments measured at fair value through other comprehensive income (FVTOCI), net of amount reclassified, if any, to retained earnings when those instruments are disposed off.

Particulars	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>17 INTEREST INCOME</b>		
Interest income on investments in bonds, debentures & deposit (investments measured at amortised cost)	461.70	444.63
Amortisation adjustment of bonds purchased at premium/ discount	(9.63)	(10.49)
Interest income on loan to subsidiary company (measured at amortised cost)	8.82	8.82
Interest income on deposits with bank	53.88	67.56
<b>Total</b>	<b>514.77</b>	<b>510.52</b>
<b>18 NET GAIN ON FAIR VALUE CHANGES</b>		
(a) Net gain/(loss) on financial instruments at FVTPL : on trading portfolio/ on financial instruments designated through FVTPL	-	-
(b) Others		
<b>Gain(net) reclassified from OCI to profit or Loss on sale of investments in debt mutual funds</b>	<b>497.73</b>	3.78
<b>Total</b>	<b>497.73</b>	<b>3.78</b>
<b><u>Break up of gains (net) :</u></b>		
Realised	497.73	3.78
Unrealised	-	-
<b>Total</b>	<b>497.73</b>	<b>3.78</b>

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>19 OTHERS (UNDER OTHER INCOME)</b>		
Interest on income tax refund	14.98	0.03
Provisions no longer required written back	0.03	-
<b>Total</b>	<u>15.01</u>	<u>0.03</u>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	39.38	35.86
Contribution to provident and other funds	1.28	1.14
Provision for gratuity and leave encashment	2.30	0.70
Staff welfare expenses	1.03	0.53
<b>Total</b>	<u>43.99</u>	<u>38.23</u>
<b>21 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on property, plant and equipments (refer note -8 )	0.42	0.16
	<u>0.42</u>	<u>0.16</u>
<b>22 OTHER EXPENSES</b>		
Director's sitting Fee	5.80	6.40
Legal and professional charges	96.88	37.98
Travelling & conveyance expenses	4.58	4.16
GST paid under reverse charge	17.08	6.99
AGM expenses	-	-
Printing & stationery	0.31	0.22
Postage & telephone and internet charges	7.45	0.80
Advertisement expenses	1.52	1.20
Listing fees	0.29	0.29
Custodian fees	0.21	0.21
Document storage charges	1.46	1.45
Software charges	0.42	0.43
Manager remuneration	0.12	0.12
Filing fees	0.18	0.06
Auditor's remuneration \$	0.89	0.89
CSR contribution 2021-22 \$\$	15.55	-
CSR contribution 2020-21 \$\$	-	19.26
CSR contribution 2019-20 \$\$	-	13.21
Amount written off	0.55	0.05
Miscellaneous expenses	1.53	0.98
<b>Total</b>	<u>154.82</u>	<u>94.70</u>

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>\$ Auditor`s remuneration (inclusive of GST) :</b>		
As auditor		
Audit fees	0.40	0.40
Limited review	0.20	0.20
Other services (certification fees)	0.03	0.03
Out of pocket expenses	0.12	0.12
GST on above	0.14	0.14
<b>Total</b>	<b>0.89</b>	<b>0.89</b>
<b>\$\$ Disclosure towards corporate social responsibility (CSR) activities :</b>		
(a) Gross amount required to be spent as per section 135 of the Companies Act, 2013 read by the company during the year	15.55	32.47
(b) Amount of expenditure incurred (contributed in cash) during the year on :		
(i) Construction /acquisition of any asset	-	-
(ii) On purpose other than above (i)	15.55	32.47
(c) Amount shortfall (unspent) at the end of the year	-	-
(d) Total of previous year shortfall	-	-
(e) Reason for shortfall,	-	-
(f) Nature of CSR activities		
	CSR contribution has been made to Times Foundation (TF), a society having registration no. CSR00021643. TF will utilise the said amount for the activities as mentioned in Schedule VII of the Act.	
(g) Details of related party transactions (e.g., contribution to a trust controlled by the Company)	-	-
(h) Movement in provision, if any, towards any liability incurred by entering into a contractual obligation	-	-
<b>23 EARNINGS PER SHARE (EPS)</b>		
Profit after tax as per statement of profit and loss (₹ in lakh)	810.59	317.89
Weighted average number of equity shares (Face value per equity share ₹ 10/-)	32,00,000	32,00,000
Basic EPS (in ₹)	25.33	9.93
Diluted EPS (in ₹) #	25.33	9.93
# The Company has not issued any potential equity shares, and accordingly, diluted earnings per share is equal to the basic earnings per share.		



# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.03.2022 (₹ in lakh)	As at 31.03.2021 (₹ in lakh)
<b>24 LOANS TO SUBSIDIARY COMPANY</b>		
Loan to wholly owned subsidiary		
Maximum outstanding of loan during the year # (@ 7% p.a. and Repayable on demand)	126.00	126.00
<b>Total</b>	126.00	126.00

# Interest accrued on Loan as on March 31, 2022 of ₹ 1.98 lakh (net of TDS) [as on March 31, 2021 of ₹ 2.04 lakh (net of TDS)], not included in above amount.

#### Disclosure in case loan granted as repayable on demand :

Type of borrower	As at 31.03.2022 (₹ in lakh)		As at 31.03.2021 (₹ in lakh)	
	Loan outstanding	% to the total Loans and advances (in the nature of loans)	Loan outstanding	% to the total loans and advances (in the nature of loans)
<b>Related parties</b>				
Punjab Mercantile & Traders Ltd [Wholly owned subsidiary]	126.00	100%	126.00	100%

## 25 SEGMENT INFORMATION

The Company is not carrying any business operations except generating income from investment of surplus funds and these activities fall in a single business segment, thus there is no reportable segment within the meaning of Ind AS - 108 "Operating Segments".

## 26 IMPAIRMENT OF ASSETS

The Management is of the opinion that there is no impairment of assets as contemplated in Ind AS -38 "Impairment of Assets".

## 27 DISCLOSURES AS REQUIRED BY IND AS -24 -"RELATED PARTY DISCLOSURE"

In accordance with Ind AS -24 "Related Party Disclosure", disclosure of related parties & related party transactions entered into during the year are given below -

#### (a) Related parties and nature of relationship :

##### Subsidiary Company

- Punjab Mercantile & Traders Ltd.
- Esoterica Services Limited (Formerly known as Jacaranda Corporate Services Limited)

##### Key Management Personnel (KMP)

Name	Relationship
1. Mr. Govind Swarup	Director
2. Mr. Ashish Verma	Director
3. Ms. Saumya Agarwal	Director
4. Mr. Mohit Jain	Director (ceased to be director w.e.f. 14-08-2020)
5. Mr. Rakesh Dhamani	Director
6. Mrs. Shweta Saxena	Director (appointed as Director w.e.f. 27-08-2020) & Company Secretary
7. Mr. Viveka Nand Jha	Chief Financial Officer
8. Mr. Vijay Kumar Bakshi	Manager

## PNB FINANCE AND INDUSTRIES LIMITED

- (b) Related Party Transactions entered during the year in ordinary course of business and outstanding balances payable/ (receivable) at the end of the year:

(₹ in lakh)

Name of the Party	Nature of Transaction	Amount for the year ended		Amount outstanding as at	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Punjab Mercantile & Traders Ltd.	Loan Given	-	-	<b>126.00</b>	126.00
	Interest income on Loan	<b>8.82</b>	8.82	<b>1.98</b>	2.04
	Margin provided to Bank in connection with Bank Gurantee	<b>Note 1</b>	Note 1	<b>Note 1</b>	Note 1
Mr. Govind Swarup	Director`s sitting fees	<b>3.20</b>	3.20	-	-
Mr. Ashish Verma	Director`s sitting fees	<b>1.40</b>	2.00	-	-
Mrs. Saumya Agarwal	Director`s sitting fees	<b>1.20</b>	1.20	-	-
Mrs. Shweta Saxena	Remuneration#	<b>21.81</b>	20.13	-	-
Mr. Viveka Nand Jha	Remuneration#	<b>17.57</b>	15.73	-	-
Mr. Vijay Kumar Bakshi	Remuneration	<b>0.12</b>	0.12	-	0.12

**Note 1 :** During the previous year ended March 31, 2020, the Company had provided to HDFC Bank its fixed deposit as margin in connection with “bank guarantee for a sum of ₹ 150 lakh in favour of The National Stock Exchange Ltd ” obtained by its wholly owned subsidiary company i.e. Punjab Mercantile & Traders Ltd. The vailidity of bank guarantee is up to 07-08-2020 with extended claim period up to 07-08-2021.

# Excluding PF and other retiral benefits.

### 28 FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR ARE AS FOLLOWS

Particulars	For the year ended 31.3.2022 (₹ in lakh)	For the year ended 31.3.2021 (₹ in lakh)
Earnings & Outgo	Nil	Nil

### 29 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS AS ON 31<sup>ST</sup> MARCH, 2022

Nil (previous year as on 31<sup>st</sup> March, 2021 :-Nil)

### 30 INCOME TAXES EXPENSES & RECONCILIATION

- (a) (i) Tax expense recognised in the statement of profit and loss

Particulars	For the year ended 31.3.2022 (₹ in lakh)	For the year ended 31.3.2021 (₹ in lakh)
<b><u>Current tax</u></b>		
Current tax	<b>171.93</b>	63.77
Earlier year that provision (Net)	<b>5.00</b>	-
<b>Total current tax</b>	<b>176.93</b>	63.77
<b><u>Deferred tax</u></b>		
Related to origination and reversal of deductible temporary difference	<b>(0.75)</b>	(0.18)
Reversal of deferred tax liability on remeasurements of earlier years	-	(0.24)
<b>Total deferred tax charge/(credit)</b>	<b>(0.75)</b>	(0.42)
<b>Total income tax expense reported in the statement of profit and loss</b>	<b>176.18</b>	63.35

**(ii) Tax expense recognised in the statement of other comprehensive income**

Particulars	For the year ended 31.3.2022 (₹ in lakh)	For the year ended 31.3.2021 (₹ in lakh)
<b><u>Deferred tax charge / (credit) on :</u></b>		
<u>On account of deductible temporary difference on items measured through OCI</u>		
Investment in debt instruments (on fair value change)	(42.28)	91.57
Investment in equity instruments (on fair value change)	887.72	4,811.04
Remeasurement gains of the defined benefit plans (gratuity plan)	(0.80)	0.09
<b>Total deferred tax charge/ (credit) in the statement of other comprehensive income (I+II)</b>	<b>844.64</b>	<b>4,902.70</b>

(b) The Company continues with existing provisions of corporate taxation and had not opted the concessional rate schemes provided vide section 115BAA in the Income Tax Act, 1961. The section 115BAA in the Income Tax Act, 1961, provides existing domestic companies with an irrevocable option to pay tax at a reduced rate of 22% with applicable surcharge and cess, which come with the consequential surrender of specified deductions/ incentives i.e. not allowed to set off brought forward Losses and not eligible to utilised MAT credit entitlements and take any other deduction / benefits.

**(c) Reconciliation of current tax expenses**

Reconciliation of current tax expenses between “Amount calculated as accounting profit multiplied by the statutory income tax rate applicable to the Company” and “current tax expenses as per effective income tax rate reported in the statement of profit and loss of the Company” is given below :

Particulars	For the year ended 31.3.2022 (₹ in lakh)	For the year ended 31.3.2021 (₹ in lakh)
<b>Profit before tax (amount in lakh)</b>	<b>986.77</b>	381.24
Enacted applicable income tax rates (including applicable cess) in India (%)	<b>29.12%</b>	27.82%
<b>Current tax amount calculated (accounting profit multiplied by the applicable enacted tax rate) for the year (in lakh)</b>	<b>287.35</b>	106.06
<b><u>Tax effects of amounts which are not deductible/taxable in computing taxable Income</u></b>		
CSR expenditure (in lakh)	<b>4.53</b>	9.03
Tax at lower rate/difference in case of capital gain (in lakh)	<b>(52.13)</b>	-
Amortisation adjustment of bonds (net amount as exp.) (in lakh)	<b>2.80</b>	2.92
Other adjustments (in lakh)	<b>0.67</b>	0.18
<b><u>Tax effects of amounts which are deductible /non taxable in computing taxable Income</u></b>		
Deduction under Chapter VI A (80G) (in lakh)	<b>(2.27)</b>	(4.52)
Other adjustments	-	-
<b>Balance</b>	<b>240.95</b>	113.67
Tax effect (MAT) on realised profit on sale of equity instruments (shares) through OCI (in lakh)	<b>(16.52)</b>	-
Less : MAT credit utilised	<b>(52.50)</b>	(49.90)
<b>Current tax expense at effective rate as reported in the statement of profit and loss (in lakh)</b>	<b>171.93</b>	63.77

**(d) The movement in deferred tax assets(net) during the year ended March 31, 2021 and March 31, 2022:**

Particulars	Provision of gratuity & leave encashment liabilities	Property, plant and equipments (sep.)	Total
As at March 31, 2020	1.83	0.04	1.87
Credit/ (charge) in statement of profit or loss during the year	0.19	(0.01)	0.18
Credit/ (charge) in statement of OCI during the year	(0.09)	-	(0.09)
Rounding off adjustments	-	-	0.01
<b>As at March 31, 2021</b>	<b>1.93</b>	<b>0.03</b>	<b>1.97</b>
Credit/ (charge) in statement of profit or loss during the year	0.77	(0.02)	0.75
Credit/ (charge) in statement of OCI during the year	0.80	-	0.80
Rounding off adjustments	-	-	(0.01)
<b>As at March 31, 2022</b>	<b>3.50</b>	<b>0.01</b>	<b>3.51</b>

**(e) The movement in deferred tax liabilities during the year ended March 31, 2021 and March 31, 2022:**

Particulars	Investment in debt instruments (measured at FVTOCI)	Investment in equity instruments (measured at FVTOCI)	Remeasurement of defined benefit plans	Total
As at March 31, 2020	166.29	33,198.53	0.24	33,365.06
Credit/ (charge) in statement of OCI during the year	91.57	4,811.04	-	4,902.61
Adjustment of DTL on remeasurement	-	-	(0.24)	(0.24)
<b>As at March 31, 2021</b>	<b>257.86</b>	<b>38,009.57</b>	<b>-</b>	<b>38,267.43</b>
Credit/ (charge) in statement of OCI during the year	(42.28)	887.72	-	845.44
<b>As at March 31, 2022</b>	<b>215.58</b>	<b>38,897.29</b>	<b>-</b>	<b>39,112.87</b>

**(f)** As a matter of prudence and considering uncertainty of sufficient future taxable income, the Company has not recognised any deferred tax asset on unused tax credits (MAT credit entitlements) in the balance sheet.

**31 EMPLOYEE BENEFITS**

I). During the year, liability of Company as an employer towards contribution to provident and other fund has been recognized as an expenses in the statement of profit and loss. The detail is given below :

**Defined contribution plan**

Employer's contribution to provident and other funds - ₹ **1.28 lakh** (previous year : ₹ 1.14 lakh)

II). **Gratuity and other post employment benefit plans :**

During the year, the company has recognised the expenses and liability towards gratuity and leave encashment based on actuarial valuation in conformity with the principles set out in the Indian Accounting Standards -19. The detail are given below :

## PNB FINANCE AND INDUSTRIES LIMITED

(a) The assumptions used to determine the benefit obligations are as follows:

(₹ in lakh)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Discounting rate (p.a.)	7.00%	6.84%	7.00%	6.84%
Future salary increase (p.a.)	8.00%	1st Year 0% and thereafter 6.84%	8.00%	1st Year 0% and thereafter 6.84%
Expected rate of return of plan assets	N.A	N.A	N.A	N.A
Expected average remaining working lives of employees (years)	15.92	16.92	15.92	16.92
Mortality table used	IALM(2012-14)	IALM(2012-14)	IALM(2012-14)	IALM(2012-14)
Retirement age (years)	58	58	58	58
Withdrawal rate (%)				
Up to 30 years	3	3	3	3
From 31 to 44 years	2	2	2	2
Above 44 years	1	1	1	1

(b) Change in present value of obligation/ defined benefit obligations :

(₹ in lakh)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Present value of obligation(PBO) at beginning of year	4.85	4.46	2.13	2.13
Past service cost	-	-	-	-
Current service cost	0.64	0.39	0.26	0.17
Net interest cost	0.33	0.31	0.15	0.15
Benefits paid	-	-	-	-
Remeasurement [actuarial (-) gain /loss]	2.74	(0.31)	0.92	(0.32)
<b>Present value of obligation (PB0) at year end</b>	<b>8.56</b>	4.85	<b>3.46</b>	2.13

(c) Liability recognised in the balance sheet:

(₹ in lakh)

Particulars	Gratuity (non -funded)		Leave encashment (non -funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Liability amount (net) at beginning of year	4.85	4.46	2.13	2.13
Provisions made/(reversed) during the year	0.97	0.70	0.41	0.32
Benefits paid	-	-	-	-
Remeasurement [actuarial (-) gain/loss]	2.74	(0.31)	0.92	(0.32)
<b>Liability amount (net) at year end</b>	<b>8.56</b>	4.85	<b>3.46</b>	2.13
<b>Break up of liability/PBO at end of the year</b>				
<b>Current liability (within 12 Months)</b>	<b>0.16</b>	0.11	<b>0.07</b>	0.05
<b>Non-current liability</b>	<b>8.40</b>	4.74	<b>3.39</b>	2.08
<b>Total</b>	<b>8.56</b>	4.85	<b>3.46</b>	2.13

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(d) Expense/ (income) recognized in the statement of profit and loss:

(₹ in lakh)

Particulars	Gratuity (non -funded)		Leave encashment (non -funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Current service cost	<b>0.64</b>	0.39	<b>0.26</b>	0.17
Net interest cost	<b>0.33</b>	0.31	<b>0.15</b>	0.15
Net actuarial (-) gain / loss recognized in the year	-	-	<b>0.92</b>	(0.32)
Expenses recognized in the statement of profit and loss	<b>0.97</b>	0.70	<b>1.33</b>	-

(e) Remeasurements [actuarial (gain)/loss] through other comprehensive income (OCI):

Particulars	Gratuity (non -funded)	
	31/3/2022	31/3/2021
Actuarial (gain) / loss for the year on PBO	<b>2.74</b>	(0.31)
Actuarial (gain) / loss for the year on plan asset	-	-

(f) Sensitivity analysis:

Particulars	Gratuity		Leave encashment	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	<b>8.56</b>	4.85	<b>3.46</b>	2.13
(i) Impact due to increase of 0.5%	<b>(0.55)</b>	(0.32)	<b>(0.14)</b>	(0.14)
(i) Impact due to decrease of 0.5%	<b>0.60</b>	0.35	<b>0.16</b>	0.16
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the year	<b>8.56</b>	4.85	<b>3.46</b>	2.13
(i) Impact due to increase of 0.5%	<b>0.59</b>	0.35	<b>0.16</b>	0.16
(i) Impact due to decrease of 0.5%	<b>(0.55)</b>	(0.32)	<b>(0.14)</b>	(0.14)

(g) Maturity profile of defined benefit obligations :

Particulars	Gratuity		Leave encashment	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
a) 0 to 1 Year	<b>0.16</b>	0.11	<b>0.05</b>	0.05
b) 1 to 2 Year	<b>0.15</b>	0.11	<b>0.05</b>	0.05
c) 2 to 3 Year	<b>0.15</b>	0.09	<b>0.04</b>	0.04
d) 3 to 4 Year	<b>0.11</b>	0.08	<b>0.04</b>	0.04
e) 4 to 5 Year	<b>0.11</b>	0.06	<b>0.02</b>	0.02
f) 5 to 6 Year	<b>0.11</b>	0.06	<b>0.02</b>	0.02
g) 6 year onwards	<b>7.77</b>	4.34	<b>3.24</b>	1.91



**32 FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a orderly transactions in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) , regardless of whether that price is directly observable or estimated using a valuation technique.

The following methods and assumptions are used to estimate the fair value :

- (a) The fair value of quoted equity shares is derived from quoted market prices in active markets.
- (b) The fair value of unquoted equity shares (FVTOCI financial instruments) is derived as per level 3 techniques, in case observable market data is not available.
- (c) The fair value of mutual funds is derived from the available declared /quoted NAV of units.
- (d) Assets held for collection of contractual cash flow where cash flows represent solely payment of principle and interest like bonds/ bebentures /corporate deposit are measured at amortised cost. interest income from these financial assets is calculated using the effective interest rate method.

The management has assessed that cash and cash equivalents, other receivables (financial assets) and trade payables are approximate at their carrying amounts largely due to the short term maturities of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices /declared NAVs in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: inputs which are not based on observable market data.

**Financial assets and liabilities**

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2022 are as follows:

(₹ in lakh)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
<b>Financial assets</b>					
Cash and cash equivalents	-	-	3.97	3.97	3.97
Bank balances other than above	-	-	1,304.10	1,304.10	1,304.10
Investments :					
Debt mutual funds	-	4,390.03	-	4,390.03	4,390.03
Equity mutual funds	-	1,909.21	-	1,909.21	1,909.21
Bonds /debentures	-	-	3,697.38	3,697.38	3,697.38
Corporate deposits	-	-	1,000.00	1,000.00	1,000.00
Equity shares (other than investment in subsidiary)	-	1,67,106.15	-	1,67,106.15	1,67,106.15
Loan	-	-	126.00	126.00	126.00
Other financial assets	-	-	346.55	346.55	346.55
<b>Total</b>	<b>-</b>	<b>1,73,405.39</b>	<b>6,478.00</b>	<b>1,79,883.39</b>	<b>1,79,883.39</b>
<b>Financial liabilities</b>					
Other payables	-	-	3.67	3.67	3.67
Other financial liabilities	-	-	3.16	3.16	3.16
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.83</b>	<b>6.83</b>	<b>6.83</b>

## PNB FINANCE AND INDUSTRIES LIMITED

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2021 are as follows:

(₹ in lakh)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
<b>Financial Assets</b>					
Cash and cash equivalents	-	-	1.94	1.94	1.94
Bank balances other than above	-	-	1,248.28	1,248.28	1,248.28
Investments :					
Debt mutual funds	-	5,377.29	-	5,377.29	5,377.29
Bonds /debentures	-	-	3,847.01	3,847.01	3,847.01
Corporate deposits	-	-	1,177.00	1,177.00	1,177.00
Equity shares (other than investment in subsidiary)	-	1,70,963.39	-	1,70,963.39	1,70,963.39
Loan	-	-	126.00	126.00	126.00
Other financial assets	-	-	265.91	265.91	265.91
<b>Total</b>	<b>-</b>	<b>1,76,340.68</b>	<b>6,666.14</b>	<b>1,83,006.82</b>	<b>1,83,006.82</b>
<b>Financial liabilities</b>					
Other payables	-	-	3.51	3.51	3.51
Other financial liabilities	-	-	3.64	3.64	3.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.15</b>	<b>7.15</b>	<b>7.15</b>

### Fair value estimation

For financial instruments measured at fair value in the balance sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

For Financial assets which are carried at fair value, the classification of fair value calculations by category is summarised below:

(₹ in lakh)

Particulars	Carrying Value	Fair Values					
		measured through Profit and Loss (FVTPL)			measured through OCI (FVTOCI)		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>As at 31<sup>st</sup> March, 2022</b>							
<b>Financial assets</b>							
Debt mutual funds	4,390.03	-	-	-	4,390.03	-	-
Equity mutual funds	1,909.21	-	-	-	1,909.21	-	-
Equity shares (other than investment in subsidiary)	1,67,106.15	-	-	-	35,841.50	-	1,31,264.65
	<b>1,73,405.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,140.74</b>	<b>-</b>	<b>1,31,264.65</b>
<b>As at 31<sup>st</sup> March, 2021</b>							
<b>Financial assets</b>							
Debt mutual funds	5,377.29	-	-	-	5,377.29	-	-
Equity shares (other than investment in subsidiary)	1,70,963.39	-	-	-	36,419.37	-	1,34,544.02
	<b>1,76,340.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,796.66</b>	<b>-</b>	<b>1,34,544.02</b>

There are no changes in classification and no movements between the fair value hierarchy classifications of financial assets during the years.

**33 CAPITAL MANAGEMENT**

**a) Objective, policies and processes of capital management**

The Company is cash surplus and capital structure of the Company consists of equity capital only i.e. paid up equity share capital and retained earnings and other accumulated reserves disclosed in the statement of changes in equity. The company does not have any borrowings.

Investment objective while managing fund of the Company is to provide safety and to generate steady return from low risk investment avenues. The surplus fund of the company is being invested in Income generating debt instruments i.e. bonds, corporate deposits & debt /equity mutual funds and in equity shares.

The Company’s objectives when managing capital are to :

- (i) maximize the shareholder value with low risk, and
- (ii) safeguard their ability to continue as a going concern, so that they can continue to provide returns and growth to shareholders and benefits for other stakeholders.

No changes are made in the objectives, policies and process of capital management during the reported years.

**(b) Dividend on equity shares**

**Proposed dividend not recognised at the end of reporting year** (₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Proposed dividend for the year ended 31 <sup>st</sup> March, 2022 is nil (₹ 0.60 per equity share for year ended 31 <sup>st</sup> March, 2021)	-	19.20

During current financial year ended on March 31, 2022, the proposed dividend for the year ended March 31, 2021 has been paid after its approval at annual general meeting. Dividend paid to equity shareholders has been recognised directly in retained earnings (equity).

**34 FINANCIAL RISK MANAGEMENT**

The Company is not carrying any business operations, however income has been generated from investments of its surplus funds being investment in debt securities, equity instruments and bank deposits. The Company’s financial assets are investment in debt securities (bonds, debentures, corporate deposits, debt based mutual funds, etc.) cash and cash equivalents, bank deposits other than cash and cash equivalents, loan and other receivables & financial liabilities are trade/other payables and other financial liabilities.

The Company’s activities expose to financial risk i.e. liquidity risk, market risk, credit risk etc. The Board of Directors provide guiding principles for overall risk management, as well as principle for investment of available funds including review of such policies for managing each of applicable type of financial risks, which are summarised as below :

**(a) Liquidity risk**

The Company’s principal source of liquidity are “cash and cash equivalents” and cash in flow that are generated from income from investments. Liquidity risk is defined as a risk that the company will not be able to settle or meet its obligations on time.

Liquidity risk management implies maintenance of sufficient cash to meet the obligations as and when due. The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. The company has invested its surplus fund also in fixed income securities /instruments of similar profile thereby ensuring availability of liquidity as and when required. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company and accordingly, no liquidity risk is perceived.

The following is the contractual maturities of the financial liabilities (₹ in lakh)

Particulars	Carrying amount (At amortised cost)	1-12 months	More than 12 months
<b><u>Non-derivative liabilities</u></b>			
<b><u>As at March 31, 2022</u></b>			
Other payables	3.67	3.67	-
Other financial liabilities	3.16	3.16	-
<b>Total</b>	<b>6.83</b>	<b>3.67</b>	<b>-</b>
<b><u>As at March 31, 2021</u></b>			
Other payables	3.51	3.51	-
Other financial liabilities	3.64	3.64	-
<b>Total</b>	<b>7.15</b>	<b>3.51</b>	<b>-</b>

**(b) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk generally comprises three types of risk: interest rate risk, currency risk and price risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including quoted investments, deposits, foreign currency receivables, payables and loans and borrowings.

**(i) Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has neither payables & receivables in foreign currency, not holding foreign assets and also not entered into transactions in the foreign currency during the year under report, therefore the company activities are not exposed to foreign exchange risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The company interest rate risk from investments is in debt securities (bonds, debentures, corporate deposits etc. ). In order to optimise the Company's position with regard to interest income, the management manages the interest rate risk by diversifying its debt investments portfolio across tenures.

**(iii) Price risk**

Price risk arises due to volatility in the market prices of financial instruments for which market prices are available (i.e. quoted price for quoted equity shares and declared NAV/ quoted NAV for debt /equity MF). The Company is exposed to price risk arising mainly from investment measured at fair value through OCI (FVTOCI) being equity shares (quoted ) and debt & equity mutual funds. The Company's exposure to debt based mutual funds falls in very low risk category due to investments are in high rated schemes. To optimise price risk, policy of diversification has been followed in case company's debt based MF portfolio. As regards the Company's investment in unquoted equity shares, which are long term in nature and fair valuation of these Investments are largely depend on performance of these company and hence the price risk emanating from shortfall in performance has been reviewed closely.

**(c) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is not carrying any business activities and thus has no transactions with customers. In case of the Company's investment portfolio, credit risk may arise from bank balances (including fixed deposits) and investment in debt securities like bonds, debentures, corporate deposits and debt based mutual funds.

To manage credit risk on these financial assets, the company has an investment policy which allows the company to invest only in high rated schemes/ papers/ bonds /NCD /corporate deposits etc. considering the safety of investment first along with lower risk and reasonable returns. The company tracks credit worthiness of counterparty and closely reviews the rating of investments and takes immediate suitable remedial actions as far as possible.

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## 35 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below set out analysis of the carrying amount of assets and liabilities according to when they are expected to be realised or settled.

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	3.97	-	3.97	1.94	-	1.94
Bank balances other than above	1,304.10	-	1,304.10	1,248.28	-	1,248.28
Investments	1,841.75	1,76,294.02	1,78,135.77	316.53	1,81,073.16	1,81,389.69
Loan to subsidiary	126.00	-	126.00	126.00	-	126.00
Other financial assets	346.55	-	346.55	106.78	159.13	265.91
<b>Non financial assets</b>						
Current tax assets (net)	16.96	-	16.96	35.81	-	35.81
Deferred tax assets (net)	-	3.51	3.51	-	1.97	1.97
Property, plant and equipments	-	1.65	1.65	-	0.49	0.49
Other non -financial assets	0.51	-	0.51	0.51	-	0.51
<b>TOTAL ASSETS</b>	<b>3,639.84</b>	<b>1,76,299.18</b>	<b>1,79,939.02</b>	1,835.85	1,81,234.75	1,83,070.60
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Payables						
Dues of micro and small enterprises	-	-	-	-	-	-
Dues of other creditors	3.67	-	3.67	3.51	-	3.51
Other financial liabilities	3.16	-	3.16	3.64	-	3.64
<b>Non- financial liabilities</b>						
Provisions	0.23	11.79	12.02	0.16	6.82	6.98
Deferred tax liabilities	-	39,112.87	39,112.87	-	38,267.43	38,267.43
Other non-financial liabilities	7.04	-	7.04	7.56	-	7.56
<b>TOTAL LIABILITIES</b>	<b>14.10</b>	<b>39,124.66</b>	<b>39,138.76</b>	14.87	38,274.25	38,289.12
<b>NET</b>	<b>3,625.74</b>	<b>1,37,174.52</b>	<b>1,40,800.26</b>	1,820.98	1,42,960.50	1,44,781.48

## 36 PARTICULARS AS PER RBI DIRECTIONS FOR NBFC

The Company is registered with the RBI as a Non-Banking Financial Institution (non-deposit taking). In terms of provisions (asset size) of Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended till date, the company is a systemically important non-deposit taking NBFC (NBFC-ND-SI).

The Company does not carry on lending activities & having no customer interface, however generating income from investment of surplus funds.

The Company has been categorized as NBFC - investment and credit company (earlier as NBFC -investment company) vide RBI Circular no. DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019 issued towards harmonisation of different categories of NBFCs.

Pursuant to RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, [“Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016” as amended], the disclosures required to be given in the annual financial statements of NBFC-ND-SI, are hereby given below to the extent applicable on the company :

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## (I). Capital to risk asset ratio (CRAR)

S.No.	Particulars	As at March 31, 2022	As at March 31, 2021
a	CRAR (%) #	<b>144.83%</b>	151.81%
b	CRAR - tier I capital (%) #	<b>144.83%</b>	151.81%
c	CRAR - tier II capital (%)	-	-
d	Amount of subordinated debt raised as tier-II capital (₹ in lakh)	-	-
e	Amount raised by issue of perpetual debt instruments(₹ In lakh)	-	-

# The above disclosures has been made in accordance with RBI circular no. RBI/2019-20/170/DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 & accordingly in terms of said circular, while calculating tier capital/ net owned fund & risk weighed assets to arrive CRAR, unrealised gains arising on fair valuation of financial instruments(as investments) have been excluded/ not been considered.

## (II). Liquidity coverage ratio (LCR) :

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i	<b>Liquidity coverage ratio (LCR)</b>	\$	\$

\$ Pursuant to “Guidelines on Maintenance of Liquidity Coverage Ratio (LCR)” enumerated under Para 15B of Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016”(as amended), Type 1 NBFC-NDs among others, are also exempt from the applicability of LCR norms i.e. maintenance of required LCR level (liquidity buffer) in specified timeline and ensuring sufficient High Quality Liquid Assets (HQLAs).

In terms of definition of “Type I - NBFC-ND” provided vide RBI Press Release : 2015-2016/2935 dated June 17,2016, the Company falls under definition of “Type -1 NBFC -ND”, since company has not accepting public funds and not having customer interface.

Further, asset size of the Company is also below ₹ 5000 crore and for this asset size category i.e. below 5000 crore, LCR level for specified timeline has been also not specified.

Considering above, the Liquidity Coverage Ratio (LCR) has not been furnished/disclosed.

## (III). Investments

S.No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(1)</b>	<b>Value of investments</b>		
(i)	<b>Gross value of investment</b>		
(a)	In India	<b>1,78,135.77</b>	1,81,389.69
(b)	Outside India	-	-
(ii)	<b>Provision for diminution</b>		
(a)	In India	-	-
(b)	Outside India	-	-
(iii)	<b>Net value of investments</b>		
(a)	In India	<b>1,78,135.77</b>	1,81,389.69
(b)	Outside India	-	-
<b>(2)</b>	<b>Movement of provisions on investments</b>		
(i)	Opening balance	-	-
(ii)	Add: provisions made during the year	-	-
(iii)	Less: qrite Off/ write back of excess provisions during the year	-	-
(iv)	Closing balance	-	-



**(IV). Provisions and contingencies**

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	<b>Break up of 'Provisions and Contingencies' shown under the head expenses in the statement of profit and loss account</b>		
(i)	Provision on diminution in value of investments	-	-
(ii)	Provision towards NPA	-	-
(iii)	Provision made towards income tax	<b>171.93</b>	63.77
(iv)	Other provision and contingencies	-	-
(v)	Provision on standard assets	-	-

**(V). Exposure**

**(A) Exposure to real estate sector**

S. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>1</b>	<b>Direct exposure</b>		
(a)	<b>Residential mortgages</b> (Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented)	-	-
(b)	<b>Commercial real estate</b> (Lending secured by mortgages on commercial real estates)	-	-
(c)	<b>Investments in mortgage backed securities (MBS) and other securitised exposures -</b>		
(i)	Residential	-	-
(ii)	Commercial real estate	-	-
<b>2</b>	<b>Indirect exposure</b> <b>(Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)].</b>		
(i)	Investment in secured, non-convertible debentures of TATA Capital Housing Finance Ltd	<b>190.00</b>	190.00
(ii)	Investment in corporate deposit with Housing Development Finance Corporation Limited	<b>1,000.00</b>	1,000.00
	<b>Total</b>	<b>1,190.00</b>	<b>1,190.00</b>

**(B) Exposure to capital market**

S.No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	<b>43,982.66</b>	42,358.98
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-

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S.No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows / issues	-	-
(viii)	All exposures to venture capital funds (both registered and unregistered)	-	-
<b>Total exposure to capital market</b>		<b>43,982.66</b>	42,358.98

### (VI). Asset liability management -maturity pattern of certain items of assets and liabilities

Pursuant to definition of “Type I - NBFC-ND” provided vide RBI Press Release : 2015-2016/2935 dated June 17,2016, the Company falls under definition of “Type -1 NBFC -ND”, since company has not accepting public funds and not having customer interface.

“Guidelines on Liquidity Risk Management framework” enumerated under Para 15 A of Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016”, is not applicable on the Company, being a Type 1 NBFC-ND’.

In view of above, maturity pattern of certain items of assets and liabilities in various time buckets has not been furnished.

### (VII). Miscellaneous disclosures

S. No.	Particulars	Disclosures
1	Registration obtained from other financial sector regulators	Apart from RBI, the Company being a listed company is also governed by MCA and SEBI.
2	Disclosure of penalties imposed by RBI and other regulators	During previous year ended 31 <sup>st</sup> March, 2022, no penalty was imposed by RBI or other regulators.
3	Related party transactions	Refer note no. 27 for detail of related party transactions.
4	Overseas assets (for those with joint ventures and subsidiaries abroad) and off-balance sheet SPVs sponsored	Nil
5	<b>Others \$ :</b>	
(i)	Disclosure related to derivatives	Nil
(ii)	Disclosure related to securitisations	Nil
(iii)	Ratings assigned by credit rating agencies and migration of ratings during the year	Nil
(iv)	Details of single borrower limit (SGL) / group borrower limit (GBL) exceeded by the NBFC	Nil
(v)	Details of financing of parent company products	Nil
(vi)	Concentration of deposits, advances, exposures and NPAs	Nil
(vii)	Disclosure of customer complaints	Nil

\$ The company is a non deposit taking NBFC (NBFC -ND-SI) and it does not carry out lending activities/securitisation activities and having no customer interface, thus being disclosed as “Nil” .

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### (VIII) Schedule to the balance sheet of a systemically important non-deposit taking non-banking financial company

[As required in terms of paragraph 19 of non-banking financial company- systemically important non-deposit taking company and deposit taking Company (Reserve Bank) Directions, 2016) issued vide RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended]

Particulars		As on March 31, 2022	
		Amount outstanding (₹ in lakh)	Amount overdue (₹ in lakh)
	<b>Liabilities side :</b>		
<b>1</b>	<b>Loans and advances availed by the non -banking financial company inclusive of interest accrued thereon but not paid:</b>		
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(Other than falling within the meaning of public deposits)		
	(b) Deferred credits	NIL	NIL
	(c) Term loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial paper	NIL	NIL
	(f) Public deposits	NIL	NIL
	(g) Other loans (specify nature)	NIL	NIL
<b>2</b>	<b>Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid:</b>		
	(a) In the form of unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures	NIL	NIL
	(c) Other public deposits	NIL	NIL
	<b>Assets side :</b>	<b>Amount outstanding</b>	
<b>3</b>	<b>Break-up of loans and advances including bills receivables [other than those included in (4) below] :</b>	126.00	
	a) Secured	NIL	
	b) Unsecured	126.00	
<b>4</b>	<b>Break up of leased assets and stock on hire and other assets counting towards asset financing activities</b>		
	(i) Lease assets including lease rentals under sundry debtors:	NIL	
	(a) Financial lease	NIL	
	(b) Operating lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors:	NIL	
	(a) Assets on hire	NIL	
	(b) Repossessed assets	NIL	
	(iii) Other loans counting towards asset financing activities	NIL	
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	
<b>5</b>	<b>Break-up of investments :</b>		
	<b>Current investments :</b>		
	<b>1. Quoted:</b>		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debentures and bonds	NIL	
	(iii) Units of mutual funds	841.75	
	(iv) Government securities	NIL	
	(v) Others (please specify)	NIL	
	<b>2. Unquoted</b>		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debentures and bonds	NIL	
	(iii) Units of mutual funds	NIL	
	(iv) Government securities	NIL	
	(v) Others (corporate fixed deposits)	1000.00	

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	Assets side :	Amount outstanding		
	<b>Long term investments\$ :</b>			
	<b>1. Quoted:</b>			
	(i) Shares : (a) Equity	<b>42,073.45</b>		
	(b) Preference	NIL		
	(ii) Debentures and bonds	<b>3,697.38</b>		
	(iii) Units of mutual funds	NIL		
	(iv) Government securities	NIL		
	(v) Others (please specify)	NIL		
	<b>2. Unquoted</b>			
	(i) Shares : (a) Equity	<b>1,25,057.70</b>		
	(b) Preference	NIL		
	(ii) Debentures and bonds	NIL		
	(iii) Units of mutual funds	<b>5,457.49</b>		
	(iv) Government securities	NIL		
	(v) Others (investment in paintings)	<b>8.00</b>		
	\$ Non-current investments stated in the Note-3 Investments have been reported as "Long Term Investments".			
<b>6</b>	<b>Borrower group-wise classification of assets financed as in (3) and (4) above :</b>			
	<b>Category</b>	<b>Amount of net provisions</b>		
		Secured	Unsecured	Total
	<b>1. Related parties *</b>	NIL	NIL	NIL
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
	<b>2. Other than related parties</b>	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>7</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
	<b>Category</b>	<b>Market value/Break-up or fair value or NAV</b>	<b>Book value (net of provisions)</b>	
	<b>1. Related parties *</b>			
	(a) Subsidiaries	1,02,978.75	25.00	
	(b) Companies in the same group <sup>#</sup>	NIL	NIL	
	(c) Other related parties	NIL	NIL	
	<b>2. Other than related parties<sup>#</sup></b>	<b>1,78,102.77</b>	<b>1,78,102.77</b>	
	<b>Total</b>	<b>2,81,081.52</b>	<b>1,78,127.77</b>	
<b>8.</b>	<b>Other information</b>			
	<b>Particulars</b>	<b>Amount</b>		
	<b>I Gross non-performing assets</b>			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
	<b>II Net non-performing assets</b>			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
	<b>III Assets acquired in satisfaction of debt</b>	NIL		

The break up value of investments in unlisted companies having negative net worth has been taken at Nil above.

\* **Company in the same group has been disclosed on the same line as disclosed in previous years.**

# Total value of investments excludes investment in paintings of ₹ 8 lakh (at cost) as specified in "Investment Note No. -3."

- 37 The company is not engaged in any business operations, except generating income from Investment of surplus funds in low risk instruments. While the Company has been registered as a NBFC by virtue of the applicable RBI NBFC Guidelines/Regulations on a Company, it does not carry on investment activities as a business operation. The income earned by company from investment of surplus funds has been classified and disclosed under “Other Income” and this classification/disclosure has been consistently followed by the company. Other income comprises mainly income in the nature of (i) dividend income, (ii) interest on bonds, NCDs and corporate deposits etc., (iii) realised gain on sale of debt instruments / debt mutual funds (other than equity instruments) and (iv) interest on bank deposits.

## 38 DISCLOSURE PERTAINING TO “UNDISCLOSED INCOME” UNDER INCOME TAX A/C

During the current / previous financial year, the Company has not surrendered or disclosed any income in the tax assessment/ under any scheme in this regard of the Income Tax Act.

- 39 There is no effect of Covid -19 pandemic on the result/ performance of the company.

## 40 RECENT ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA) vide Notification dated 23th March, 2022 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2022. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

Major amendments notified in the notification are provided below:

### **Amendment to Ind AS 16 : property, plant and equipment**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

### **Amendment to Ind AS 37 : provisions, contingent liabilities and contingent assets**

The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

### **Amendment to Ind AS 103 : business combinations**

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

### **Annual improvements to Ind AS (2021)**

This provides a mechanism to dealing efficiently with collection of minor amendments to Ind AS. Following Ind AS amended as part of annual improvements :

#### **(a) Amendment to Ind AS 109 : financial instruments**

The amendment clarifies which fees an entity includes when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

### **Impact of amendments**

There is no any impact on the financial statements of the company during current financial year.

The Company is also evaluating the impact of these amendments, if any for financial year 2022-23, when these amendments will be effective.

**41 Previous year figures have been re-grouped/re-casted wherever considered necessary to conform to this year's classification.**

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sd/-

**Brijendra Agrawal**

Partner

Membership No. 087787

Sd/-

**Govind Swarup**

Director

DIN: 00003145

Sd/-

**Ashish Verma**

Director

DIN: 06939565

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

Place: New Delhi

Date: May 26, 2022



## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF**

**PNB FINANCE AND INDUSTRIES LIMITED**

**Report on the Audit of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

### **Opinion**

We have audited the Consolidated Financial Statements of **PNB Finance And Industries Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’) which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income) and the Statement (of Cash Flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022, and its Profit, and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

### **Other Information**

The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the consolidated financial statements and our auditors’ report thereon.

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

In connection with our audit of consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management’s Responsibility for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Group’s financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these audit matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, in respect of clause 3(xxii), we report that there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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 of the consolidated financial statements;

- 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- D. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- E. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- F. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- G. With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements;
  - The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

**For A W A T A R & C O.**  
**Chartered Accountants**  
**Firm Registration No. 000726N**

Sd/-

**Brijendra Agrawal**  
**Partner**

**Place : New Delhi**                      **Membership No. : 087787**  
**Date : May 26, 2022**      **UDIN : 22087787AJPYMH9691**

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PNB FINANCE AND INDUSTRIES LIMITED**

**(Referred to in paragraph (f) under ‘Report on other Legal and Regulatory Requirements’ of our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of PNB FINANCE AND INDUSTRIES LIMITED (the “Holding Company”) & its subsidiaries (the holding company and its subsidiaries together referred to as “the Group”) as at and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries covered under the Act, as at that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Holding Company’s and its subsidiaries 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”. 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 Act.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group'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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, the Holding Company and its subsidiaries, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the internal control over financial reporting criteria established by the Holding Company and its subsidiaries 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 A W A T A R & C O.**  
**Chartered Accountants**  
**Firm Registration No. 000726N**

Sd/-

**Brijendra Agrawal**  
**Partner**

**Place : New Delhi** **Membership No. : 087787**  
**Date : May 26, 2022** **UDIN : 22087787AJPYMH9691**



# PNB FINANCE AND INDUSTRIES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at 31.03.2022 (₹ in lakh)	As at 31.03.2021 (₹ in lakh)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2 (I)	4.72	3.32
Bank balances other than above	2 (II)	1,304.10	1,248.28
Investments	3	3,08,707.81	3,13,659.38
Other financial assets	4	627.69	458.40
<b>Non financial assets</b>			
Current tax assets (net)	5	21.54	40.64
Deferred tax assets (net)	6	3.65	2.05
Property, plant and equipments	7	1.65	0.49
Other non -financial assets	8	0.57	0.56
<b>Total</b>		<u>3,10,671.73</u>	<u>3,15,413.12</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables			
Other payables	9		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditor other than micro and small enterprises		3.97	3.81
Other financial liabilities	10	3.16	3.64
<b>Non- financial liabilities</b>			
Current tax liabilities (net)	11	-	1.93
Provisions	12	12.52	7.29
Deferred tax liabilities	13	66,890.81	66,478.56
Other non-financial liabilities	14	7.26	7.73
<b>Equity</b>			
Equity share capital	15	320.00	320.00
Other equity	16	2,43,434.01	2,48,590.16
<b>Total</b>		<u>3,10,671.73</u>	<u>3,15,413.12</u>
<b>Significant accounting policies and notes on financial statements</b>	1-35	-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

Sd/-  
**Brijendra Agrawal**

Partner

Membership No. 087787

for and on behalf of the Board of Directors

Sd/-

**Govind Swarup**

Director

DIN: 00003145

Sd/-

**Ashish Verma**

Director

DIN: 06939565

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

# PNB FINANCE AND INDUSTRIES LIMITED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>INCOME :</b>			
<b>Other income</b>			
Interest income	17	717.51	706.43
Dividend income from equity instruments		158.49	-
Net gain on fair value changes	18	670.53	6.42
Others	19	15.03	0.03
<b>Total income</b>		<b>1,561.56</b>	<b>712.88</b>
<b>EXPENSES :</b>			
Employee benefits expense	20	47.06	40.78
Finance cost (interest on income tax)		0.11	-
Depreciation and amortization expense	21	0.42	0.16
Other expenses	22	155.49	96.49
<b>Total expenses</b>		<b>203.08</b>	<b>137.43</b>
<b>Profit before tax</b>		<b>1,358.48</b>	<b>575.45</b>
Tax expense :			
Current tax		235.26	97.55
Deferred tax charge/(-)credit		(0.81)	(0.27)
Reversal of deferred tax liability of earlier year		-	(0.24)
Earlier year tax provision (net)		7.04	(0.60)
Total tax expenses		241.49	96.44
<b>Profit after tax for the year (A)</b>		<b>1,116.99</b>	<b>479.01</b>
Profit for the year attributable to :			
Owners of the Company		1,116.99	479.01
Non-controlling interest		-	-
<b>Other comprehensive income (OCI)</b>			
<b>(I) Items that will be reclassified to the profit or loss</b>			
Fair value changes in debt instruments through OCI		361.14	560.99
Less: reclassified to profit or loss from OCI on sale		(670.53)	(6.42)
Less: income tax effect on above		59.26	(123.37)
	(I)	<b>(250.13)</b>	<b>431.20</b>
<b>(II) Items that will not be reclassified to the profit or loss</b>			
Fair value changes in equity instruments through OCI		(5,684.08)	15,678.50
Less: income tax effect on above		(471.51)	(3,304.08)
Profit on sale of equity instruments through OCI		185.39	-
Less: income tax effect on above		(31.69)	-
Remeasurement of the defined benefit plans		(2.71)	0.31
Less: income tax effect on above		0.79	(0.09)
	(II)	<b>(6,003.81)</b>	<b>12,374.64</b>
<b>Total other comprehensive income, net of tax (B= I+II)</b>		<b>(6,253.94)</b>	<b>12,805.84</b>
Other comprehensive income for the year attributable to :			
Owners of the Company		(6,253.94)	12,805.84
Non-controlling interest		-	-
<b>Total comprehensive income for the year (A+B)</b>		<b>(5,136.95)</b>	<b>13,284.85</b>
Total comprehensive income for the year attributable to :			
Owners of the Company		(5,136.95)	13,284.85
Non-controlling interest		-	-
<b>Earnings per equity share</b>	23		
(Face value of ₹ 10/- each)			
Basic earnings per share (in ₹)		34.91	14.97
Diluted earnings per share (in ₹)		34.91	14.97

**Significant accounting policies & notes on financial statements** 1-35

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants  
Firm Regn. No. 000726N  
Sd/-

**Brijendra Agrawal**  
Partner  
Membership No. 087787

Place: New Delhi  
Date: May 26, 2022

for and on behalf of the Board of Directors

Sd/-  
**Govind Swarup**  
Director  
DIN: 00003145  
Sd/-

**Shweta Saxena**  
Director & Company Secretary  
DIN: 03120958/M.No: A18585

Sd/-  
**Ashish Verma**  
Director  
DIN: 06939565  
Sd/-

**Viveka Nand Jha**  
Chief Financial Officer  
PAN - AEXPJ2176H



# PNB FINANCE AND INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
<b>A Cash flow from operating activities</b>		
Profit before tax	1,358.48	575.45
<b>Adjustment for:</b>		
Dividend income	(158.49)	-
(Gain)/loss on sale of investments (realised)	(670.53)	(6.42)
Interest on investments in bonds, debentures & deposit	(672.17)	(648.17)
Premium (net of discount) on bonds amortised	8.54	9.30
Interest on fixed deposits with bank	(53.88)	(67.56)
Interest on income tax	0.11	-
<b>Non - cash items :</b>		
Provision for leave encashment and gratuity (net)	2.52	0.84
Depreciation	0.42	0.16
Amount written off	0.55	0.04
Provision no longer required, written back	(0.03)	-
Rounding off adjustment	(0.01)	0.01
<b>Operating profit before working capital changes</b>	<b>(184.49)</b>	<b>(136.35)</b>
Adjustments for changes in working capital:		
(Increase)/ decrease in other non-financial assets	(0.01)	(0.31)
Increase/(decrease) in other payables	0.19	0.74
Increase/(decrease) in other non-financial liabilities	(0.47)	3.83
Cash generated from /(used in) operations	<b>(184.78)</b>	<b>(132.09)</b>
Income tax paid(net of refund)	<b>(257.45)</b>	<b>(101.56)</b>
<b>Net cash from/(used in) operating activities</b>	<b>(442.23)</b>	<b>(233.65)</b>
<b>B Cash flow from investing activities</b>		
Payment for purchase of property, plant and equipment	(1.58)	(0.30)
Dividend received	158.49	-
Interest received (includes TDS) on deposits, bonds and FDR	556.77	562.75
Investments in bonds and deposits (includes accrued intt.)	-	(177.00)
Maturity of investment in bonds and deposits	1,027.00	-
Maturity of fixed deposits	1,244.64	1,166.00
Fixed deposits with bank made	(1,300.94)	(1,244.64)
Purchase of investments in mutual funds & others	(4,356.05)	(423.50)
Proceeds from sale of shares	185.39	-
Proceeds from sale/redemption of mutual funds and others	2,949.11	366.30

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.03.2022 (₹ in lakh)	For the year ended 31.03.2021 (₹ in lakh)
Net cash from/(used in) investing activities	462.83	249.61
<b>C Cash flow from financing activities</b>		
Dividend paid	(19.20)	(19.20)
Net cash from/(used in) financing activities	(19.20)	(19.20)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1.40	(3.24)
Cash and cash equivalents at the beginning of the year	3.32	6.56
Total cash and cash equivalents at the end of the year	4.72	3.32
<b><u>Components of cash and cash equivalents:</u></b>		
Balances with bank in current accounts	4.69	3.24
Cash on hand	0.03	0.08
<b>Total</b>	<b>4.72</b>	<b>3.32</b>

Note : (i) The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS-7) "statement of cash flow".

(ii) Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

Sd/-  
**Brijendra Agrawal**

Partner

Membership No. 087787

for and on behalf of the Board of Directors

Sd/-  
**Govind Swarup**

Director

DIN: 00003145

Sd/-  
**Ashish Verma**

Director

DIN: 06939565

Place: New Delhi

Date: May 26, 2022

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

# PNB FINANCE AND INDUSTRIES LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### A. Equity Share Capital

(₹ in lakh)

Particulars	Balance as at 31 <sup>st</sup> March 2020	Changes during the year	Balance as at 31 <sup>st</sup> March 2021	Changes during the year	Balance as at 31 <sup>st</sup> March 2022
Equity Shares	320.00	-	320.00	-	320.00
	320.00	-	320.00	-	<b>320.00</b>

### B. Other Equity

(₹ in lakh)

Particulars	Reserves and surplus					Accumulated balance of other comprehensive income (OCI)		Total other equity
	Securities premium	General reserve	Special reserve u/s 45-IC of RBI Act, 1934	Retained earnings (surplus)	Others (remeasurement of defined benefit plan)	Debt instruments through OCI	Equity instruments through OCI	
<b>Balance as at March 31, 2020</b>	103.91	2,851.79	2,127.15	9,262.71	0.61	804.70	2,20,173.61	2,35,324.48
<b>Changes during the year ended March 31, 2021 :</b>								
Add : profit/(-) loss for the year	-	-	-	479.01	-	-	-	479.01
Add : other comprehensive income for the year :								
Fair value changes of financial instruments through OCI (net of reclassification)	-	-	-	-	-	554.57	15,678.50	16,233.07
Income tax on above	-	-	-	-	-	(123.37)	(3,304.08)	(3,427.45)
Remeasurement of defined benefit plan (net of tax)	-	-	-	0.22	-	-	-	0.22
Add : remeasurement balances transferred	-	-	-	0.61	(0.61)	-	-	-
Less : dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : transfer to general reserve	-	53.99	-	(53.99)	-	-	-	-
Less : transfer to special reserve	-	-	59.74	(59.74)	-	-	-	-
Rounding off adjustments	-	(0.01)	-	0.04	-	-	-	0.03
<b>Balance as at March 31, 2021</b>	<b>103.91</b>	<b>2,905.77</b>	<b>2,186.89</b>	<b>9,609.66</b>	-	<b>1,235.90</b>	<b>2,32,548.03</b>	<b>2,48,590.16</b>
<b>Changes during the year ended March 31, 2022 :</b>								
Add : profit/(-) loss for the year	-	-	-	<b>1,116.99</b>	-	-	-	<b>1,116.99</b>
Add : other comprehensive income for the year :								
fair value changes of financial instruments through OCI (net of reclassification)	-	-	-	-	-	(309.39)	(5,684.08)	(5,993.47)
Income tax on above	-	-	-	-	-	59.26	(471.51)	(412.25)
Profit on sale of equity instruments (net of tax)	-	-	-	-	-	-	153.70	153.70
Remeasurement of defined benefit plan (net of tax)	-	-	-	(1.92)	-	-	-	(1.92)
Less : dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : transfer to general reserve	-	82.79	-	(82.79)	-	-	-	-
Less : transfer to special reserve	-	-	158.28	(158.28)	-	-	-	-
Less : Transfer of cumulative profit on sale (net) of shares	-	-	-	153.70	-	-	(153.70)	-
<b>Balance as at March 31, 2022</b>	<b>103.91</b>	<b>2,988.56</b>	<b>2,345.17</b>	<b>10,618.16</b>	-	<b>985.77</b>	<b>2,26,392.44</b>	<b>2,43,434.01</b>

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

Sd/-

**Brijendra Agrawal**

Partner

Membership No. 087787

Place: New Delhi

Date: May 26, 2022

for and on behalf of the Board of Directors

Sd/-

**Govind Swarup**

Director

DIN: 00003145

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Ashish Verma**

Director

DIN: 06939565

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

# PNB FINANCE AND INDUSTRIES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Corporate Overview

PNB Finance and Industries Limited ('the company') is a public limited company domiciled and incorporated in India under the provisions of Indian Companies Act.

The Company's registered office is at Ist Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110 002, India.

The shares of the company is listed with The Calcutta Stock Exchange Ltd. The Company is an NBFC Company, registered with RBI as NBFC Company as Non –Deposit taking company in 1998.

Presently, the company is not engaged in any business operations, except investment in surplus funds in low risk instruments and earning income therefrom.

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements comprise of financial statements of PNB Finance And Industries Limited ('the Company'/'the Parent Company') and its wholly owned subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31<sup>st</sup> March, 2022.

The Consolidated Financial Statements include financial statements of the subsidiaries of PNB Finance And Industries Limited ('the Company') consolidated in accordance with Indian Accounting Standards 110 'Consolidated Financial Statements'.

S. No.	Name of the Company	Ownership in % either directly or through subsidiary at the end of the year	
		2021-22	2020-21
1	<u>Subsidiary (Indian)</u> Punjab Mercantile And Traders Ltd.	100%	100%
2	Esoterica Services Ltd (Earlier Jacaranda Corporate Services Ltd.)	100%	100%

#### 1.1 Basis of Preparation :

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and disclosures are made in accordance with the requirement of Division III of Schedule III of the Companies Act, 2013 (the Act) and other relevant provisions of the Act to the extent applicable.

The consolidated financial statements have been prepared on a historical cost basis, except for the certain financial assets and financial liabilities that are measured and carried at Fair Value.

The consolidated financial statements are presented in Indian Rupees (INR), which is the company's functional currency.

All amounts have been rounded-off to the nearest lakhs (up to two decimal point), as per the requirements of Schedule III, unless otherwise stated.

The financial statements are authorised for issue by the Board of Directors on May 26, 2022.

#### 1.2 Basis of Consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company together with its subsidiaries constitute the Group. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary.

Control is achieved when the Group directly or indirectly:

- has power over the investee ;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

- (ii) The Consolidated Financial Statements of the Group combine financial statements of Parent company and its Subsidiaries line by line basis by adding together the like items of assets, liabilities, income and expenses.
- (iii) All intragroup assets and liabilities, equity, income, expenses, unrealised profits/losses and cash flows relating to transactions between the entities of the Group are eliminated on consolidation.
- (iv) The financial statements of all the entities used for the purpose of Consolidation are drawn up to the same reporting date as that of the Parent Company.
- (v) The consolidated financial statements are prepared using uniform accounting policies as the Company's Standalone financial statements, however where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.
- (vi) Profit or Loss, Other Comprehensive income and Total Comprehensive income of the Subsidiaries are attributed to the owners of the Parent Company and to the non-controlling interests (NCI) in their respective holdings and have been shown separately in the consolidated financial statements.

Non-controlling interest represents that part of the Profit or Loss, Other Comprehensive income and Total Comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

The Subsidiaries considered in the consolidated financial statements are wholly owned by Parent company, thus Profit or Loss, Other Comprehensive income and Total Comprehensive income of these subsidiaries are wholly attributed to the owners of the Parent Company in the financial statements.

- (vii) Investments other than Investment in subsidiaries have been accounted for as per Indian Accounting Standard (Ind AS) 109 "Financial Instruments".

### 1.3 Other Significant Accounting Policies

Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the Parent company i.e. PNB Finance and Industries Limited; and hence have not been reproduced here.

Refer note 1 [from Note 1.2 to 1.13] of the Standalone financial statements of PNB Finance and Industries Limited for the year ended 31<sup>st</sup> March, 2022 for details with respect to other significant accounting policies.

These significant accounting policies have been consistently applied to all the years presented, unless otherwise stated.

## 2 CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>2 (I) : Cash and cash equivalents</b>		
Balances with Bank :		
In current account with HDFC Bank	4.69	3.24
Cash on hand	0.03	0.08
<b>Sub total-I</b>	<b>4.72</b>	<b>3.32</b>
<b>2 (II) : Bank balance other than above (I)</b>		
Fixed deposits with HDFC Bank #	1,300.94	1,244.64
Earmarked balances with HDFC Bank (in unclaimed dividend accounts)	3.16	3.64
<b>Sub total-II</b>	<b>1,304.10</b>	<b>1,248.28</b>
<b>Total (I+II)</b>	<b>1,308.82</b>	<b>1,251.60</b>

# During the previous year ended March 31, 2020, the Company had provided to HDFC Bank its fixed deposit as margin in connection with "bank guarantee for a sum of Rs. 150 lakh in favour of The National Stock Exchange Ltd" obtained by its wholly owned subsidiary company i.e. Punjab Mercantile & Traders Ltd. The validity of bank guarantee is up to 07-08-2020 with extended claim period up to 07-08-2021.

# PNB FINANCE AND INDUSTRIES LIMITED

## 3 INVESTMENTS

(Investment in India & other than trade)

Particulars	Face value Per share/ bond/unit (in ₹)	As at March 31, 2022		As at March 31, 2021	
		Units/bonds/ shares in No.*	Value (₹ in lakh)	Units/bonds/ shares in No.*	Value (₹ in lakh)
<b>(1) In debt mutual funds</b>					
<b>(a) Quoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Current</b>					
Kotak FMP Series 251 - 1265 Days Direct Plan Growth (Maturity -10-05-2022)	10	50,00,000	653.45	50,00,000	627.37
Nippon India Fixed Horizon Fund-XXXVII Series IV-Growth-Direct (Earlier Reliance FHF-XXXVII) (Maturity Date -05-04-2022)	10	14,50,000	188.30	14,50,000	188.30
<b>Total [1(a)]</b>			<b>841.75</b>		<b>815.67</b>
<b>(b) Unquoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Non current</b>					
Aditya Birla Sun Life Corporate Bond Fund -Direct-Growth (Earlier Aditya Birla Sun Life Short Term Fund -Direct-Growth)	10	-	-	19,20,312	1,665.53
Aditya Birla Sun Life Floating Rate Fund -Direct -Growth	10	3,41,468	968.23	-	-
Axis Short Term Plan- Direct - Growth	10	2,31,740	61.83	2,64,280	67.13
HDFC Ultra Short term bond fund Direct Plan Growth	10	21,50,301	266.91	5,10,888	61.00
HDFC Ultra Short term Fund - Direct - Growth (Amount invested on 31-03-2022, however 6,60,203,064 no. of Units @ 12.4204 per unit allotted on 04-04-2022)	10		82.00		-
ICICI Prudential Short Term Fund-Direct Plan- Growth	10	4,79,988	245.01	5,63,431	273.94
IDFC Bond Fund- Medium Term Plan-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	56,60,987	2,295.67	56,60,987	2,187.82
IDFC Corporate Bond Fund -Direct Plan -Growth	10	2,07,168	33.23	2,07,168	31.63
IDFC Bond Fund - Short Term Plan - Direct -Growth	10	1,39,579	68.39	1,39,579	65.41
IDFC Bond Fund- Short Term Plan-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	1,24,739	61.12	4,00,224	187.55
IDFC Banking & PSU Debt Fund - Direct - Growth	10	2,97,190	60.62	2,97,190	58.07
Kotak Banking & PSU Debt Fund - Direct- Growth	10	28,15,142	1,528.09	28,15,142	1,450.46
L&T Short Term Bond Fund - Direct - Growth	10	40,691	9.20	40,691	8.81
UTI Treasury Advantage Fund- Direct Plan Growth	1,000	307	8.89	15,873	419.85
<b>Total [1(b)]</b>			<b>5,689.19</b>		<b>6,477.20</b>
<b>(2) In equity mutual funds</b>					
<b>Unquoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Non current</b>					
ICICI Prudential Bluechip Fund- Direct Plan Growth	10	27,02,728	1,909.21	-	-
HDFC Index Fund Nifty 50 Plan - Direct Growth	10	4,49,836	736.49	-	-
<b>Total [2]</b>			<b>2,645.70</b>		<b>-</b>
<b>(3) In bonds / NCDs</b>					
<b>Quoted</b>					
<b>(Carried at amortised cost)</b>					
<b>Current</b>					
8.60%, EXIM Bonds, Taxable Perpetual Bonds (Call Date-31-03-2022)	10,00,000	-	-	85	847.12
8.85%, HDFC Bank Perpetual Bonds, Taxable (Call Date-12-05-2022)	10,00,000	40	400.15	40	401.48
<b>Non current</b>					
9.56%, State Bank of India Perpetual Bond (Call date : 04-12-2023)	10,00,000	100	1,001.36	100	1,002.28
9.45%, State Bank of India Bonds, Taxable Perpetual Bonds (Call Date-22-03-2024)	10,00,000	199	2,006.02	199	2,015.21
8.40%, TATA Capital Financial Services Ltd, (Secured Non-Convertible Debentures, Series -III), (Call Date- 26-08-2024)	1,000	50,000	500.00	50,000	500.00
8.20%, TATA Capital Housing Finance Ltd, (Secured, Non-Convertible Debentures-Series -III), (Call Date-14-01-2025)	1,000	38,000	380.00	38,000	380.00
<b>Total (3)</b>			<b>4,287.53</b>		<b>5,146.09</b>
<b>(4) In corporate deposits</b>					
<b>Unquoted</b>					
<b>(Carried at amortised cost)</b>					
<b>Current</b>					



## PNB FINANCE AND INDUSTRIES LIMITED

Particulars	Face value Per share/ bond/unit (in ₹)	As at March 31, 2022		As at March 31, 2021	
		Units/bonds/ shares in No.*	Value (₹ in lakh)	Units/bonds/ shares in No.*	Value (₹ in lakh)
Deposit (Cumulative) with Mahindra & Mahindra Financial Services Ltd (Coupon @ 5.70% & Maturity Date -25-03-2022 & 31-03-2022]		-	-	-	177.00
Deposit (Cumulative) with HDFC Ltd. (Coupon @ 8.49% & Maturity Date -09-04-2022)		-	2,000.00	-	2,000.00
<b>Total (4)</b>			<b>2,000.00</b>		<b>2,177.00</b>
<b>(5) In equity shares \$</b>					
<b>(a) Quoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Non current</b>					
<b>Fully paid up shares of :</b>					
Camac Commercial Co. Ltd.	10	1,00,975	17,979.18	1,00,975	17,135.57
HDFC Bank Ltd.	1	24,38,280	35,841.50	24,38,280	36,419.37
Susmit Trading Ltd	10	29,400	-	29,400	-
Jantej Commercial Enterprises Ltd.	10	50,000	-	50,000	-
Sagar Investments Ltd.	10	1,00,000	-	1,00,000	-
The Pioneer Ltd.	10	100	-	100	-
<b>Total [5(a)]</b>			<b>53,820.68</b>		<b>53,554.94</b>
<b>(b) Unquoted</b>					
<b>(Carried at fair value through OCI (FVTOCI))</b>					
<b>Non current</b>					
<b>Fully paid up shares of :</b>					
Bennett,Coleman & Co Ltd.	10	5,22,97,848	1,82,446.27	5,22,97,848	1,83,472.08
Ashoka Viniyoga Ltd	10	59,100	15,598.66	59,100	18,330.83
Excel Publishing House Ltd.	10	23,500	31.44	23,500	29.78
Artee Viniyoga Ltd.	10	2,49,860	3,292.78	2,49,860	3,284.13
Combine Holdings Ltd	10	93,150	8,409.44	93,150	10,196.20
Sahu Jain Ltd	10	4,900	60.30	4,900	55.32
Times Publishing House Ltd.	10	24,000	1,626.05	24,000	1,162.03
Sahu Jain Services Ltd.	10	2,500	168.39	2,500	162.88
Times Internet Ltd.##	10	-	-	9,27,292	103.76
Bennett Property Holdings Company Ltd.#	10	87,16,308	27,781.63	87,16,308	28,691.47
Pearl Printwell Ltd.	10	19,800	-	19,800	-
<b>Total [5(b)]</b>			<b>2,39,414.96</b>		<b>2,45,488.48</b>
<b>(6) Other investment</b>					
<b>Non current</b>					
<b>(Carried at cost)</b>					
Investment in paintings			8.00		-
<b>Total [6]</b>			<b>8.00</b>		-
<b>Grand total (1(a)+1(b)+2+3+4+5(a)+5(b)+6)</b>			<b>3,08,707.81</b>		<b>3,13,659.38</b>
<b>Summary of investments :</b>					
<b>Total investments measured &amp; carried :</b>					
At fair value through OCI (FVTOCI)			3,02,412.28		3,06,336.29
At amortised cost			6,287.53		7,323.09
At cost			8.00		-
<b>Total</b>			<b>3,08,707.81</b>		<b>3,13,659.38</b>
<b>Total investments current &amp; non-current :</b>					
Current (within 12 months)			3,241.90		1,024.12
Non-current (long term)			3,05,465.91		3,12,635.26
<b>Total</b>			<b>3,08,707.81</b>		<b>3,13,659.38</b>
<b>Total investments as quoted and unquoted :</b>					
Quoted			58,949.96		59,516.70
Unquoted			2,49,757.85		2,54,142.68
<b>Total</b>			<b>3,08,707.81</b>		<b>3,13,659.38</b>

\*Units are rounded off to the nearest unit.

# In pursuance of scheme of arrangement entered between Bennett,Coleman & Co. Ltd.( BCCL) and Bennett Property Holdings Company Limited (BPHCL) as approved by the Bombay High Court order dated December 02, 2011 the Company has received shares of BPHCL in proportion of 1:6.

## In pursuance of scheme of amalgamation between Times Business Solutions Ltd. and Times Internet Ltd. as approved by Delhi High Court order dated October 17, 2014 Company has received the equity shares of Times Internet Ltd. in the ratio of 100:96 for the equity shares held in Times Business Solutions Ltd.

\$ The fair value change of investment in unquoted equity shares and those quoted shares, which have not been traded / no latest quotes are available, has been considered based on latest available audited financial statements of the respective investee companies.

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)
<b>4 OTHER FINANCIAL ASSETS</b>		
Interest accrued on bonds/NCDs and deposits	594.59	417.50
Interest accrued on bank fixed deposits	32.78	40.58
Deposit with custodian (CDSL) & RTA	0.32	0.32
<b>Total</b>	<u>627.69</u>	<u>458.40</u>
<b>5 CURRENT TAX ASSETS (NET)</b>		
(Unsecured, considered good)		
Advance income tax & TDS	386.08	616.40
Provision for income tax	(364.54)	(575.76)
<b>Total</b>	<u>21.54</u>	<u>40.64</u>
<b>6 DEFERRED TAX ASSETS (NET)</b>		
Deferred tax assets (net) on account of deductible temporary difference between tax base and carrying amount of assets/liabilities :		
On employee benefits liabilities (gratuity & leave encashment)	3.64	2.02
On property, plant and equipments	0.01	0.03
<b>Total</b>	<u>3.65</u>	<u>2.05</u>

Particulars	Tangible Assets		Total
	Office Equipments (Computers & Others)	Furniture & Fixture	
<b>7 PROPERTY, PLANT AND EQUIPMENTS</b>			
<b>At cost</b>			
<b>Gross carrying amount</b>			
<b>Balance as at March 31, 2020</b>	4.17	-	4.17
Rounding off adjustments	0.01		0.01
Additions/ adjustments during the year	-	0.30	0.30
<b>Balance as at March 31, 2021</b>	<u>4.18</u>	<u>0.30</u>	<u>4.48</u>
Additions during the year	1.58	-	1.58
Additions/ adjustments during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<u>5.76</u>	<u>0.30</u>	<u>6.06</u>
<b>Accumulated depreciation</b>			
<b>Balance as at March 31, 2020</b>	3.83	-	3.83
Depreciation charge during the year	0.13	0.03	0.16
Adjustments/deductions during the year	-	-	-
<b>Balance as at March 31, 2021</b>	<u>3.96</u>	<u>0.03</u>	<u>3.99</u>
Depreciation charge during the year	0.35	0.07	0.42
Adjustments/deductions during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<u>4.31</u>	<u>0.10</u>	<u>4.41</u>
<b>Net carrying amount</b>			
<b>As at March 31, 2022</b>	<u>1.45</u>	<u>0.20</u>	<u>1.65</u>
As at March 31, 2021	0.22	0.27	0.49
As at March 31, 2020	0.34	-	0.34

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)
<b>8 OTHER NON-FINANCIAL ASSETS</b>		
(Unsecured, considered good)		
Prepaid expenses	0.57	0.56
<b>Total</b>	<u>0.57</u>	<u>0.56</u>
<b>9 OTHER PAYABLES</b>		
Payable to micro and small enterprises	-	-
Payable to others	3.97	3.81
<b>Total</b>	<u>3.97</u>	<u>3.81</u>

### Other payables ageing as at March 31, 2022

Particulars	MSME	Others	Disputed dues - 'MSME	Disputed dues - 'Others
<b>Outstanding from due date of payment</b>				
Less than 1 year	-	3.79	-	-
1-2 years	-	0.18	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	-	<b>3.97</b>	-	-

### Other payables ageing as at March 31, 2021

Particulars	MSME	Others	Disputed dues - 'MSME	Disputed dues - 'Others
<b>Outstanding from due date of payment</b>				
Less than 1 year	-	3.26	-	-
1-2 years	-	0.55	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	-	<b>3.81</b>	-	-

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)
<b>10 OTHER FINANCIAL LIABILITIES</b>		
Unpaid dividends*	3.16	3.64
<b>Total</b>	<u>3.16</u>	<u>3.64</u>
* Unencashed/unclaimed portion only		
<b>11 CURRENT TAX LIABILITIES (NET)</b>		
Provision for income tax	-	33.77
Less : advance income tax & TDS	-	(31.84)
<b>Total</b>	<u>-</u>	<u>1.93</u>

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2022 (₹ in lakh)	As at 31.3.2021 (₹ in lakh)
<b>12 PROVISIONS</b>		
Provision for employee benefits		
- for leave encashment #	3.70	2.25
- for gratuity #	8.82	5.04
<b>Total</b>	<u>12.52</u>	<u>7.29</u>
# Refer note no.29 for detailed disclosures.		
<b>13 DEFERRED TAX LIABILITIES</b>		
Deferred tax liabilities on account of deductible temporary difference between tax base and carrying amount of assets/liabilities :		
Investment in debt instruments (measured at FVTOCI)	294.34	353.60
Investment in equity instruments (measured at FVTOCI)	66,596.47	66,124.96
<b>Total</b>	<u>66,890.81</u>	<u>66,478.56</u>
<b>14 OTHER NON-FINANCIAL LIABILITIES</b>		
<b>Others</b>		
TDS payable	2.87	2.84
GST payable	4.15	4.59
Provident fund payable	0.24	0.18
Other payables	-	0.12
<b>Total</b>	<u>7.26</u>	<u>7.73</u>
<b>15 SHARE CAPITAL</b>		
<b>Share capital</b>		
Equity share capital		
Authorised share capital		
50,00,000 (P.Y. -50,00,000) equity shares of ₹ 10 each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
<b>Issued share capital</b>		
32,00,000 (P.Y. -32,00,000) shares of ₹10 each	320.00	320.00
<b>Subscribed &amp; fully paid share capital</b>		
a) 8,01,288.5 (P.Y. - 8,01,288.5) shares of ₹10 each fully paid up. (On reduction of share capital through High Court order dated 15-11-1973)	80.13	80.13
b) 23,98,711.5 (P.Y.-23,98,711.5) shares of ₹10 each fully paid up (including 131 equity shares of ₹ 10 each in the form of fractional coupons)	239.87	239.87
<b>Total</b>	<u>320.00</u>	<u>320.00</u>

**(i) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting. The payment of dividend will be made in Indian rupees.

In the event of the liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company, after meeting all liabilities.

(ii) **Reconciliation of equity shares held at the beginning and at the end of the year**

Particulars	As at 31.3.2022		As at 31.3.2021	
	No. of shares	Amount in lakh	No. of shares	Amount in lakh
At the beginning of the year	32,00,000	320.00	32,00,000	320.00
Movement during the year	-	-	-	-
At the end of the year	32,00,000	320.00	32,00,000	320.00

(iii) There is no change in the share capital in the period of five years immediately preceding the date as at which the balance sheet is prepared. There has been no allotment of shares pursuant to contract(s) without payment being received in cash or by way of bonus issue and no shares have been bought back in the five years immediately preceding the balance sheet date i.e. March 31, 2022.

(iv) **Details of shareholders holding more than 5 % shares in the Company**

Name of the shareholder	As at 31.3.2022	As at 31.3.2021
	No. of shares	No. of shares
Artee Viniyoga Limited	8,01,710	8,01,710
Ashoka Viniyoga Limited	6,51,660	6,51,660
Camac Commercial Company Limited	5,20,000	5,20,000
Mr. Samir Jain	5,18,827	5,18,827
Mrs. Meera Jain	2,73,604	2,73,604
Combine Holding Limited	1,61,437	1,61,437

(v) **Details of shareholding of promoters in the Company**

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% of total shares	% change during the year	No. of shares held	% of total shares	% change during the year
NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Particulars**

**As at 31.03.2022**  
**(₹ in lakh)**

As at 31.03.2021  
(₹ in lakh)

**16 OTHER EQUITY \$**

**I. Reserve & Surplus**

**A. Securities premium**

Balance as per last financial statements

103.91

103.91

Add/less : addition/(adjustment) during the year

-

-

**Balance at the end of the year**

103.91

103.91

**B. General reserve**

Balance as per last financial statements

2,905.77

2,851.79

Add/less : addition/(adjustment) during the year

82.79

53.99

Rounding off adjustment

-

(0.01)

**Balance at the end of the year**

2,988.56

2,905.77

**C. Special reserve u/s 45-IC of RBI Act,1934**

Balance as per last financial statements

2,186.89

2,127.15

Add/less : addition/(adjustment) during the year

158.28

59.74

**Balance at the end of the year**

2,345.17

2,186.89

**D. Retained earnings (surplus)**

Balance as per last financial statements

9,609.66

9,262.71

Add - profit for the year

1,116.99

479.01

Item of OCI recognised directly in retained earnings

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.03.2022 (₹ in lakh)	As at 31.03.2021 (₹ in lakh)
<b>16 OTHER EQUITY \$</b>		
Add : remeasurement of the defined benefit plans (net of tax) for the year	(1.92)	0.22
Add : balance of remeasurement (net) of previous year transferred	-	0.61
Add : profit transferred from OCI on sale of equity instruments	153.70	-
Less:- transfer to general reserve	(82.79)	(53.99)
Less:- transfer to special reserve	(158.28)	(59.74)
Less:- dividend paid	(19.20)	(19.20)
Less:- dividend distribution tax paid	-	-
Rounding off adjustment	-	0.04
<b>Balance at the end of the year</b>	<b>10,618.16</b>	<b>9,609.66</b>
<b>E. Other (remeasurement of defined benefit plan)</b>		
<b>Opening balance</b>	-	0.61
Less : balances transferred to retained earnings of previous years	-	(0.61)
<b>Closing balance at the end of the year</b>	-	-
<b>Total reserve &amp; surplus at the end of the year (I= A+B+C+D+E)</b>	<b>16,055.80</b>	<b>14,806.23</b>
<b>II. Accumulated balance of other comprehensive income (OCI)</b>		
<b>(F) Debt instruments through OCI</b>		
<b>Opening balance</b>	<b>1,235.90</b>	804.70
Add: fair value changes in debt instruments through OCI for the year	361.14	560.99
Less: reclassified to profit or loss from OCI on sale	(670.53)	(6.42)
Less: income tax effect thereon	59.26	(123.37)
<b>Closing balance at the end of the year</b>	<b>985.77</b>	<b>1,235.90</b>
<b>(G) Equity instruments through OCI</b>		
<b>Opening balance</b>	<b>2,32,548.03</b>	2,20,173.61
Add : fair value changes on equity instruments through OCI for the year	(5,684.08)	15,678.50
Less: income tax effect on above	(471.51)	(3,304.08)
Add :profit on sale of equity instruments (net of tax)	185.39	-
Less :income tax effect on above	(31.69)	-
Less :realised profit on sale (net of tax) transferred to retained earnings	(153.70)	-
<b>Closing balance at the end of the year</b>	<b>2,26,392.44</b>	<b>2,32,548.03</b>
<b>Total accumulated balance of OCI at the end of the year (II= F+G)</b>	<b>2,27,378.21</b>	<b>2,33,783.93</b>
<b>Total other equity (I +II)</b>	<b>2,43,434.01</b>	<b>2,48,590.16</b>

## \$ Nature and purpose of reserve

Nature and purpose of each reserve has been disclosed as part of the qualitative disclosure :

### Securities premium

It is created in earlier year, by amount of premium received upon issuance of equity shares. This can be utilised in accordance with provisions of the Companies Act, 2013

### General reserve

The Company continues to transfer certain percentage of profits to general reserve before declaring dividends. This can be utilised in accordance with provisions of the Companies Act, 2013.

### Special reserve u/s 45-IC of RBI Act,1934

The Company, being an NBFC company, is created a special reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss.



## PNB FINANCE AND INDUSTRIES LIMITED

As prescribed by Section 45 IC of the Reserve Bank of India Act, 1934, No appropriation of any sums from the Reserve Fund shall be made by company except for the purpose as may be specified by RBI from time to time.

### Retained earnings (surplus)

It is created out of accretion of profits or loss and represents the amount of accumulated earnings of the Company. It also includes effect of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with provisions of the Companies Act, 2013.

### Accumulated balance of other comprehensive income (OCI)- debt instruments

This reserve represents the cumulative unrealised gains (net of loss) on fair valuation of debt instruments (including debt mutual funds) measured at fair value through other comprehensive income (FVTOCI), net of amount reclassified, if any, to profit or loss, when those instruments are disposed off.

### Accumulated balance of other comprehensive income (OCI)- equity instruments

This reserve represents the cumulative unrealised gains (net of loss) on fair valuation of equity instruments measured at fair value through other comprehensive income (FVTOCI), net of amount reclassified, if any, to retained earnings when those instruments are disposed off.

Particulars	For the year ended March 31, 2022 (₹ in lakh)	For the year ended March 31, 2021 (₹ in lakh)
<b>17 INTEREST INCOME</b>		
Interest income on investments in bonds, debentures & deposit (investment measured at amortised cost)	672.17	648.17
Amortisation adjustment of bonds purchased at premium/ discount	(8.54)	(9.30)
Interest income on deposits with bank	53.88	67.56
<b>Total</b>	<b>717.51</b>	<b>706.43</b>
<b>18 NET GAIN ON FAIR VALUE CHANGES</b>		
(a) Net gain/(loss) on financial instruments at FVTPL : on trading portfolio/ on financial instruments designated through FVTPL	-	-
(b) Others		
Gain(net) reclassified from OCI to profit or loss on sale of investments in debt mutual funds	670.53	6.42
<b>Total</b>	<b>670.53</b>	<b>6.42</b>
<b>Break up of gains (net) :</b>		
Realised	670.53	6.42
Unrealised	-	-
<b>Total</b>	<b>670.53</b>	<b>6.42</b>
<b>19 OTHERS (UNDER OTHER INCOME)</b>		
Interest on income tax refund	15.00	0.03
Provisions no longer required written back	0.03	-
<b>Total</b>	<b>15.03</b>	<b>0.03</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	41.85	38.04
Contribution to provident and other funds	1.28	1.14
Provision for gratuity and leave encashment	2.52	0.84
Staff welfare expenses	1.41	0.76
<b>Total</b>	<b>47.06</b>	<b>40.78</b>
<b>21 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on property, plant and equipments (refer note -7 )	0.42	0.16
	<b>0.42</b>	<b>0.16</b>

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended March 31, 2022 (₹ in lakh)	For the year ended March 31, 2021 (₹ in lakh)
<b>22 OTHER EXPENSES</b>		
Director's sitting Fee	5.80	6.40
Legal and professional charges	97.10	39.20
Travelling & conveyance expenses	17.08	4.16
GST paid under reverse charge	4.58	6.99
AGM expenses	-	-
Printing & stationery	0.31	0.24
Postage & telephone and internet charges	7.45	0.80
Advertisement expenses	1.52	1.20
Listing fees	0.29	0.29
Custodian fees	0.33	0.33
Document storage charges	1.46	1.45
Software charges	0.42	0.43
Manager remuneration	0.12	0.12
Filing fees	0.23	0.15
Auditor's remuneration \$	1.14	1.14
CSR contribution 2021-22	15.55	-
CSR contribution 2020-21	-	19.26
CSR contribution 2019-20	-	13.21
Amount written off	0.55	0.09
Miscellaneous expenses	1.56	1.03
<b>Total</b>	<b>155.49</b>	<b>96.49</b>
<b>\$ Auditor's remuneration (inclusive of GST) :</b>		
As auditor		
Audit fees	0.56	0.56
Limited review	0.20	0.20
Other services (certification fees)	0.09	0.09
Out of pocket expenses	0.12	0.12
GST on above	0.17	0.17
<b>Total</b>	<b>1.14</b>	<b>1.14</b>
<b>23 EARNINGS PER SHARE (EPS)</b>		
Profit after tax as per statement of profit and loss (₹ in lakh)	1,116.99	479.01
Weighted average number of equity shares (Face value per equity share ₹ 10/-)	32,00,000	32,00,000
Basic EPS (in ₹)	34.91	14.97
Diluted EPS (in ₹) #	34.91	14.97

# The Company has not issued any potential equity shares, and accordingly, diluted earnings per share is equal to the basic earnings per share.

**24 DISCLOSURES AS REQUIRED BY IND AS -24 -“RELATED PARTY DISCLOSURE”**

In accordance with the requirements of Ind AS -24 “Related Party Disclosure”, disclosure of related parties & related party transactions entered into during the year are given below -

**(a) Related parties and nature of relationship :**

**Key Management Personnel (KMP)**

Name	Relationship
1. Mr. Govind Swarup	Director
2. Mr. Ashish Verma	Director
3. Ms. Saumya Agarwal	Director
4. Mr. Mohit Jain	Director (ceased to be director w.e.f. 14-08-2020)
5. Mr. Rakesh Dhamani	Director
6. Mrs. Shweta Saxena	Director (appointed as director w.e.f. 27-08-2020) & Company Secretary
7. Mr. Viveka Nand Jha	Chief Financial Officer
8. Mrs. Vijay Kumar Bakshi	Manager

**(b) Related Party Transactions entered during the year in ordinary course of business and outstanding balances payable/ (receivable) at the end of the year:**

(₹ in lakh)

Name of the party	Nature of transaction	Amount for the year ended		Amount outstanding as at	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Mr. Govind Swarup	Director`s sitting fees	3.20	3.20	-	-
Mr. Ashish Verma	Director`s sitting fees	1.40	2.00	-	-
Mrs. Saumya Agarwal	Director`s sitting fees	1.20	1.20	-	-
Mrs. Shweta Saxena	Remuneration#	21.81	20.13	-	-
Mr. Viveka Nand Jha	Remuneration#	17.57	15.73	-	-
Mr. Vijay Kumar Bakshi	Remuneration	0.12	0.12	-	0.12

# Excluding PF and other retiral benefits.

**Note :** The financial information in the consolidated financial statements contains financial information of holding/parent company and its wholly owned subsidiaries as a single reporting entity (as a group) and all intra group transactions have been eliminated, thus intra group transactions as RPTs, have not been disclosed.

**25 SEGMENT INFORMATION**

The group is not carrying any business operations except generating income from investment of surplus funds and these activities fall in a single business segment, thus it is not a reportable segment within the meaning of Ind AS - 108 “Operating Segments”.

**26 IMPAIRMENT OF ASSETS**

The management is of the opinion that there is no impairment of assets of group as contemplated in Ind AS -38 “Impairment of Assets”.

**27 CONTINGENT LIABILITIES NOT PROVIDED FOR AND COMMITMENTS AS ON 31<sup>ST</sup> MARCH, 2022**

Nil (previous year as on 31<sup>st</sup> March, 2021 :-Nil)

**28 INCOME TAXES EXPENSES & RECONCILIATION**

**(a) (i) Tax expense recognised in the consolidated statement of profit and loss**

Particulars	For the year ended 31.3.2022 (₹ in lakh)	For the year ended 31.3.2021 (₹ in lakh)
<b><u>(i) Current tax</u></b>		
Current tax	235.26	97.55
Earlier year tax provision (net)	7.04	(0.60)
<b>Total current tax</b>	<b>242.30</b>	96.95
<b><u>(II) Deferred tax</u></b>		
Related to origination and reversal of deductible temporary difference	(0.81)	(0.27)
Reversal of deferred tax liability on remeasurements of earlier years	-	(0.24)
<b>Total deferred tax charge/(credit)</b>	<b>(0.81)</b>	(0.51)
<b>Total (I+II )</b>	<b>241.49</b>	96.44

**(ii) Tax expense recognised in the consolidated statement of other comprehensive income**

Particulars	For the year ended 31.3.2022 (₹ in lakh)	For the year ended 31.3.2021 (₹ in lakh)
<b><u>Deferred tax charge / (credit) on :</u></b>		
<u>On account of deductible temporary difference on items measured through OCI</u>		
Investment in debt instruments (on fair value change)	(59.26)	123.37
Investment in equity instruments (on fair value change)	471.51	3,304.08
Remeasurement gains of the defined benefit plans (gratuity plan)	(0.79)	0.09
<b>Total</b>	<b>411.46</b>	3,427.54

- (b) The group continues with existing provisions of corporate taxation and had not opted the concessional rate schemes provided vide section 115BAA in the Income Tax Act, 1961. The section 115BAA in the Income Tax Act, 1961, provides existing domestic companies with an irrevocable option to pay tax at a reduced rate of 22% with applicable surcharge and cess, which come with the consequential surrender of specified deductions/ incentives i.e. not allowed to set off brought forward losses and not eligible to utilised MAT credit entitlements and take any other deduction / benefits.
- (c) As a matter of prudence and considering uncertainty of sufficient future taxable income, the group has not recognised any deferred tax asset on unused tax credits (MAT credit entitlements) in the consolidated balance sheet.

**(d) Reconciliation of current tax expenses**

Reconciliation of current tax expenses between “Amount calculated as Accounting Profit multiplied by the statutory income tax rate applicable to the Company” and “Current Tax Expenses as per effective income tax rate reported in the Consolidated Statement of Profit and Loss” is given below :

Particulars	For the year ended 31.3.2022 (₹ in lakh)	For the year ended 31.3.2021 (₹ in lakh)
<b>Profit before tax (amount in lakh)</b>	<b>1,358.48</b>	575.45
Enacted applicable income tax rate (including applicable SC & cess) on company (%)	<b>29.120%</b>	27.82%
<b>Current tax amount calculated (accounting profit multiplied by the applicable enacted tax rate) for the year (in lakh)</b>	<b>395.59</b>	160.09
<b><u>Tax effects of amounts which are not deductible/taxable in computing taxable income</u></b>		
CSR expenditure (in lakh)	<b>4.53</b>	9.03
Tax at lower rate in case of capital gain (in lakh)	<b>(56.96)</b>	-
Amortisation adjustment of bonds (net amount as exp.) (in lakh)	<b>2.50</b>	2.59
Tax effect on eliminated intra group transactions (interest - income /Exp.) (in lakh)	<b>2.29</b>	2.29
Other adjustments (in lakh)	<b>0.74</b>	0.45
<b><u>Tax effects of amounts which are deductible /non taxable in computing taxable Income</u></b>		
Deduction under Chapter VI A (80G) (in lakh)	<b>(2.27)</b>	(4.52)
Other adjustments (in lakh)	<b>-</b>	0.04
<b>Sub Total</b>	<b>346.43</b>	169.98
Tax adjustments due to different enacted rate of tax applicable for entities in the group	<b>(4.70)</b>	0.15
<b>Balance</b>	<b>341.73</b>	170.12
Tax effect (MAT) on realised profit on sale of equity instruments (shares) through OCI	<b>(31.69)</b>	-
Less : MAT credit utilised (in lakh)	<b>(74.80)</b>	(72.57)
<b>Current tax expense at effective rate as reported in the consolidated statement of profit and loss (in lakh)</b>	<b>235.24</b>	97.55

**(e) The movement in Consolidated Deferred Tax Assets (net) during the year ended March 31, 2021 and March 31, 2022**

(₹ in lakh)

Particulars	Provision of gratuity & leave encashment liabilities	Property, plant and equipments (dep.)	Total
As at March 31, 2020	1.83	0.04	1.87
Credit/ (charge) in statement of profit or loss during the year	0.28	(0.01)	0.27
Credit/ (charge) in statement of OCI during the year	(0.09)	-	(0.09)
<b>As at March 31, 2021</b>	<b>2.02</b>	<b>0.03</b>	<b>2.05</b>
Credit/ (charge) in statement of profit or loss during the year	0.83	(0.02)	0.81
Credit/ (charge) in statement of OCI during the year	0.79	-	0.79
<b>As at March 31, 2022</b>	<b>3.64</b>	<b>0.01</b>	<b>3.65</b>

**(f) The movement in Consolidated Deferred Tax Liabilities during the year ended March 31, 2021 and March 31, 2022**

(₹ in lakh)

Particulars	Investment in debt instruments (measured at FVTOCI)	Investment in equity instruments (measured at FVTOCI)	Remeasurement of defined benefit plans	Total
As at March 31, 2020	230.23	62,820.88	0.24	63,051.35
Credit/ (charge) in statement of OCI during the year	123.37	3,304.08	-	3,427.45
Adjustment of DTL on remeasurement	-	-	(0.24)	(0.24)
As at March 31, 2021	353.60	66,124.96	-	66,478.56
Credit/ (charge) in statement of OCI during the year	(59.26)	471.51	-	412.25
<b>As at March 31, 2022</b>	<b>294.34</b>	<b>66,596.47</b>	<b>-</b>	<b>66,890.81</b>

**29 EMPLOYEE BENEFITS**

I). During the year, liability of the group as an employer towards contribution to provident and other fund has been recognized as an expenses in the consolidated statement of profit and loss. The detail is given below :

**Defined contribution plan**

Employer's contribution to provident and other funds - ₹ 1.28 lakh (previous year : ₹1.14 lakh)

II). **Gratuity and Other Post Employment Benefit Plans :**

During the year, the group has recognised the expenses and liability towards gratuity and leave encashment based on actuarial valuation in conformity with the principles set out in the Indian Accounting Standards -19. The detail are given below :

**(a) The assumptions used to determine the benefit obligations are as follows**

(₹ in lakh)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Discounting rate (p.a.)	<b>7.00%</b>	6.84%	<b>7.00%</b>	6.84%
Future salary increase (p.a.)	<b>8.00%</b>	1st Year 0% and thereafter 6.84%	<b>8.00%</b>	1st Year 0% and thereafter 6.84%
Expected rate of return of plan assets	<b>N.A.</b>	N.A.	<b>N.A.</b>	N.A.
Expected average remaining working lives of employees (years)	<b>IALM (2012-14)</b>	IALM (2012-14)	<b>IALM (2012-14)</b>	IALM (2012-14)
Mortality table used	<b>58</b>	58	<b>58</b>	58
Retirement age (years)				
Withdrawal rate ( % )	<b>3</b>	3	<b>3</b>	3
Up to 30 years	<b>2</b>	2	<b>2</b>	2
From 31 to 44 years	<b>1</b>	1	<b>1</b>	1
Above 44 years	<b>1</b>	1	<b>1</b>	1



## PNB FINANCE AND INDUSTRIES LIMITED

### (b) Change in Present Value of Obligation/ Defined Benefit Obligations

(₹ in lakh)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Present value of obligation (PBO) at beginning of year	5.04	4.55	2.25	2.21
Past service cost	-	-	-	-
Current service cost	0.73	0.48	0.34	0.23
Net interest cost	0.34	0.32	0.16	0.16
Benefits paid	-	-	-	-
Remeasurement [actuarial (-) gain /loss]	2.71	(0.31)	0.95	(0.35)
<b>Present value of obligation (PBO) at year end</b>	<b>8.82</b>	<b>5.04</b>	<b>3.70</b>	<b>2.25</b>

### (c) Liability recognised in the Consolidated Balance Sheet:

(₹ in lakh)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Liability amount (net) at beginning of year	5.04	4.55	2.25	2.21
Provisions made/(reversed) during the year	1.07	0.80	0.50	0.39
Benefits paid	-	-	-	-
Remeasurement [actuarial (-) gain /loss]	2.71	(0.31)	0.95	(0.35)
<b>Liability amount (net) at year end</b>	<b>8.82</b>	<b>5.04</b>	<b>3.70</b>	<b>2.25</b>
<b><u>Break up of liability/PBO at end of the year</u></b>				
<b>Current liability (within 12 months)</b>	<b>0.16</b>	0.11	<b>0.07</b>	0.05
<b>Non-current liability</b>	<b>8.66</b>	4.93	<b>3.63</b>	2.20
<b>Total</b>	<b>8.82</b>	<b>5.04</b>	<b>3.70</b>	<b>2.25</b>

### (d) Expense/ (Income) recognized in the Consolidated Statement of Profit and Loss:

(₹ in lakh)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Current service cost	0.73	0.48	0.34	0.23
Net interest cost	0.34	0.32	0.16	0.16
Net actuarial (-) gain / loss recognized in the year	-	-	0.95	(0.35)
Expenses recognized in the statement of profit and loss	1.07	0.80	1.45	0.04

**(e) Remeasurements [Actuarial (Gain)/Loss] through Other Comprehensive Income (OCI)**

Particulars	Gratuity (Non -Funded)	
	31/3/2022	31/3/2021
Actuarial (-) gain / loss for the year on PBO	2.71	(0.31)
Actuarial (-) gain / loss for the year on plan asset	-	-
Net cumulative actuarial (-) gain / loss recognised through OCI- at the end of the year	2.71	(0.31)

**(f) Sensitivity analysis:**

Particulars	Gratuity		Leave encashment	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	8.82	5.04	3.70	2.25
(i) Impact due to increase of 0.5%	(0.57)	(0.34)	(0.16)	(0.15)
(i) Impact due to decrease of 0.5%	0.62	0.37	0.18	0.17
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the year	8.82	5.04	3.70	2.25
(i) Impact due to increase of 0.5%	0.61	0.37	0.18	0.17
(i) Impact due to decrease of 0.5%	(0.57)	(0.34)	(0.16)	(0.15)

**(g) Maturity profile of defined benefit obligations :**

Particulars	Gratuity		Leave encashment	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
a) 0 to 1 Year	0.16	0.11	0.05	0.05
b) 1 to 2 Year	0.15	0.11	0.05	0.05
c) 2 to 3 Year	0.16	0.09	0.05	0.04
d) 3 to 4 Year	0.12	0.08	0.05	0.04
e) 4 to 5 Year	0.12	0.06	0.03	0.02
f) 5 to 6 Year	0.11	0.06	0.02	0.02
g) 6 year onwards	8.00	4.53	3.45	2.03

**30 FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a orderly transactions in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) , regardless of whether that price is directly observable or estimated using a valuation technique.

The following methods and assumptions are used to estimate the fair value :

- (a) The fair value of quoted equity shares is derived from quoted market prices in active markets.
- (b) The fair value of unquoted equity shares (FVTOCI financial instruments) is derived as per level 3 techniques, in case observable market data is not available.
- (c) The fair value of mutual funds is derived from the available declared /quoted NAV of units.
- (d) Assets held for collection of contractual cash flow where cash flows represent solely payment of principle and interest like bonds/ bebentures /corporate deposit are measured at amortised cost. interest income from these financial assets is calculated using the effective interest rate method.

The management has assessed that cash and cash equivalents, other receivables (financial assets) and trade /other payables are approximate at their carrying amounts largely due to the short term maturities of these instruments.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices /declared NAVs in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: inputs which are not based on observable market data.

**Financial assets and liabilities**

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2022 are as follows:

(₹ in lakh)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
<b>Financial assets</b>					
Cash and cash equivalents	-	-	4.72	4.72	4.72
Bank balances other than above	-	-	1,304.10	1,304.10	1,304.10
Investments :					
Debt mutual funds	-	6,530.94	-	6,530.94	6,530.94
Equity mutual funds	-	2,645.70	-	2,645.70	2,645.70
Bonds /debentures	-	-	4,287.53	4,287.53	4,287.53
Corporate deposits	-	-	2,000.00	2,000.00	2,000.00
Equity Shares	-	2,93,235.64	-	2,93,235.64	2,93,235.64
Other financial assets	-	-	627.69	627.69	627.69
<b>Total</b>	<b>-</b>	<b>3,02,412.28</b>	<b>8,224.04</b>	<b>3,10,636.32</b>	<b>3,10,636.32</b>
<b>Financial liabilities</b>					
Other payables	-	-	3.97	3.97	3.97
Other financial liabilities	-	-	3.16	3.16	3.16
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.13</b>	<b>7.13</b>	<b>7.13</b>

## PNB FINANCE AND INDUSTRIES LIMITED

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> March, 2021 are as follows:

(₹ in lakh)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
<b>Financial Assets</b>					
Cash and cash equivalents	-	-	3.32	3.32	3.32
Bank balances other than above	-	-	1,248.28	1,248.28	1,248.28
Investments :					
Debt mutual funds	-	7,292.87	-	7,292.87	7,292.87
Bonds /debentures	-	-	5,146.09	5,146.09	5,146.09
Corporate deposits	-	-	2,177.00	2,177.00	2,177.00
Equity Shares	-	2,99,043.42	-	2,99,043.42	2,99,043.42
Other financial assets	-	-	458.40	458.40	458.40
<b>Total</b>	<b>-</b>	<b>3,06,336.29</b>	<b>9,033.09</b>	<b>3,15,369.38</b>	<b>3,15,369.38</b>
<b>Financial liabilities</b>					
Other payables	-	-	3.81	3.81	3.81
Other financial liabilities	-	-	3.64	3.64	3.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.45</b>	<b>7.45</b>	<b>7.45</b>

### Fair value estimation

For financial instruments measured at fair value in the consolidated balance sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

For financial assets which are carried at fair value, the classification of fair value calculations by category of the group in the consolidated balance sheet is summarised below:

(₹ in lakh)

Particulars	Carrying Value	Fair Values					
		measured through Profit and Loss (FVTPL)			measured through OCI (FVTOCI)		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>As at 31<sup>st</sup> March, 2022</b>							
<b>Financial assets</b>							
Debt mutual funds	<b>6,530.94</b>	-	-	-	<b>6,530.94</b>	-	-
Equity mutual funds	<b>2,645.70</b>	-	-	-	<b>2,645.70</b>	-	-
Equity shares	<b>2,93,235.64</b>	-	-	-	<b>35,841.50</b>	-	<b>2,57,394.14</b>
	<b>3,02,412.28</b>	-	-	-	<b>45,018.14</b>	-	<b>2,57,394.14</b>
<b>As at 31<sup>st</sup> March, 2021</b>							
<b>Financial assets</b>							
Debt mutual funds	7,292.87	-	-	-	7,292.87	-	-
Equity shares	2,99,043.42	-	-	-	36,419.37	-	2,62,624.05
	3,06,336.29	-	-	-	43,712.24	-	2,62,624.05

There are no changes in classification and no movements between the fair value hierarchy classifications of financial assets of group during the years under report.

**31 FINANCIAL RISK MANAGEMENT**

The group is not carrying any business operations, however income has been generated from investments of its surplus funds being investment in debt securities, equity instruments and bank deposits. The financial assets at group level are investment in debt securities (bonds, debentures, corporate deposits, debt based mutual funds, etc.) cash and cash equivalents, bank deposits other than cash and cash equivalents, loan and other receivables & financial liabilities are trade/other payables and other financial liabilities.

The activities at group level, expose to financial risk i.e. liquidity risk, market risk, credit risk etc. The management of respective entities in the group provide guiding principles for overall risk management, as well as principle for investment of available funds including review of such policies for managing each of applicable type of financial risks, which are summarised as below :

**(a) Liquidity risk**

The group's principal source of liquidity are "Cash and Cash equivalents" and cash in flow that are generated from income from investments. Liquidity risk is defined as a risk that the company will not be able to settle or meet its obligations on time.

Liquidity risk management implies maintenance of sufficient cash to meet the obligations as and when due. The group manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. The surplus fund at group level has also invested in fixed income securities /instruments of similar profile thereby ensuring availability of liquidity as and when required. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirement at group level and accordingly, no liquidity risk is perceived.

The following is the contractual maturities of the financial liabilities: (₹ in lakh)

Particulars	Carrying amount (At amortised Cost)	1-12 months	More than 12 months
<b><u>Non-derivative liabilities</u></b>			
<b><u>As at March 31, 2022</u></b>			
Trade/other payables	3.97	3.97	-
Other financial liabilities	3.16	3.16	-
<b>Total</b>	<b>7.13</b>	<b>7.13</b>	<b>-</b>
<b><u>As at March 31, 2021</u></b>			
Trade/other payables	3.81	3.81	-
Other financial liabilities	3.64	3.64	-
<b>Total</b>	<b>7.45</b>	<b>7.45</b>	<b>-</b>

**(b) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk generally comprises three types of risk: interest rate risk, currency risk and price risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including quoted investments, deposits, foreign currency receivables, payables and loans and borrowings.

**(i) Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group has neither payables & receivables in foreign currency, not holding foreign assets and also not entered into transactions in the foreign currency during the year under report, therefore the activities at group level are not exposed to foreign exchange risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rate risk at group level is from investments in debt securities

(bonds, debentures, corporate deposits etc.). In order to optimise the group's position with regard to interest income, the management of respective entities of group manages the interest rate risk by diversifying its debt investments portfolio across tenures.

### (iii) Price risk

Price risk arises due to volatility in the market prices of financial instruments for which market prices are available (i.e. quoted price for quoted equity shares and declared NAV/ quoted NAV for debt /equity MF). The group is exposed to price risk arising mainly from investment measured at fair value through OCI (FVTOCI) being equity shares (quoted ) and debt & equity mutual funds. The group's exposure to debt based mutual funds falls in very low risk category due to investments are in high rated schemes. To optimise price risk, policy of diversification has been followed in case of debt based MF portfolio at group level. As regards the group's investment in unquoted equity shares, which are long term in nature and fair valuation of these investments are largely depend on performance of these investee companies and hence the price risk emanating from shortfall in performance has been reviewed closely by management of the respective entities of group.

### (c) Credit risk

Credit risk is the risk of financial loss, if a customer or counter-party fails to meet its contractual obligations. Since no business activities except investment of surplus fund have been carried out at group level and thus there are no transactions with customers. In case of the group's investment portfolio, credit risk may arise from bank balances (including fixed deposits) and investment in debt securities like bonds, debentures, corporate deposits and debt based mutual funds.

To manage credit risk on these financial assets, the respective entities of the group has an investment policy which allows them to invest only in high rated schemes/ papers/ bonds /NCD /corporate deposits etc. considering the safety of investment first along with lower risk and reasonable returns. At group level, credit worthiness of counterparty has been tracked and the rating of investments have been closely reviewed and as far as possible the immediate suitable remedial actions has been taken.

## 32 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below set out analysis of the carrying amount of Assets and Liabilities of Group, according to when they are expected to be realised or settled.

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	4.72	-	4.72	3.32	-	3.32
Bank balances other than above	1,304.10	-	1,304.10	1,248.28	-	1,248.28
Investments	3,241.90	3,05,465.91	3,08,707.81	1,024.12	3,12,635.26	3,13,659.38
Other financial assets	627.69	-	627.69	139.59	318.81	458.40
<b>Non financial assets</b>						
Current tax assets (Net)	21.54	-	21.54	40.64	-	40.64
Deferred Tax Assets (net)	-	3.65	3.65	-	2.05	2.05
Property, Plant and Equipments	-	1.65	1.65	-	0.49	0.49
Other Non -Financial assets	0.57	-	0.57	0.56	-	0.56
<b>TOTAL ASSETS</b>	<b>5,200.52</b>	<b>3,05,471.21</b>	<b>3,10,671.73</b>	2,456.51	3,12,956.61	3,15,413.12



## PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Payables						
Dues of micro and small enterprises	-	-	-	-	-	-
Dues of other creditors	3.97	-	3.97	3.81	-	3.81
Other financial liabilities	3.16	-	3.16	3.64	-	3.64
<b>Non- financial liabilities</b>						
Current tax liabilities (net)	-	-	-	1.93	-	1.93
Provisions	0.23	12.29	12.52	0.16	7.13	7.29
Deferred tax liabilities	-	66,890.81	66,890.81	-	66,478.56	66,478.56
Other non-financial liabilities	7.26	-	7.26	7.73	-	7.73
<b>TOTAL LIABILITIES</b>	<b>14.62</b>	<b>66,903.10</b>	<b>66,917.72</b>	17.27	66,485.69	66,502.96
<b>NET</b>	<b>5,185.90</b>	<b>2,38,568.11</b>	<b>2,43,754.01</b>	2,439.24	2,46,470.92	2,48,910.16

### 33 ADDITIONAL INFORMATION IN TERMS OF SCHEDULE III OF THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2022

Name of the entities in the Group	Net Assets, i.e., Total Assets minus Total Liabilities \$		Share in profit or (loss) \$		Share in Other Comprehensive income (OCI)		Share in Total Comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>1. Parent (Indian)</b>								
PNB Finance and Industries Limited	57.70%	1,40,647.28	71.80%	801.77	76.31%	(4,772.61)	77.30%	(3,970.84)
<b>2. Subsidiary Companies (Indian)</b>								
Esoterica Services Ltd (Earlier Jacaranda Corporate Services Ltd.)	34.76%	84,722.59	28.11%	313.95	11.67%	(729.79)	8.10%	(415.84)
Punjab Mercantile and Traders Ltd.	7.54%	18,384.14	0.11%	1.27	12.02%	(751.54)	14.61%	(750.27)
<b>3. Minority Interests in all subsidiaries</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>2,43,754.01</b>	<b>100.02%</b>	<b>1,116.99</b>	<b>100.00%</b>	<b>(6,253.94)</b>	<b>100.00%</b>	<b>(5,136.95)</b>

\$ Net Assets and Share in profit or (loss) are after Intra -group elimination.

**34 OTHER DISCLOSURES**

Other notes and disclosures to be considered in the consolidated financial statements are similar to those of standalone financial statements of PNB Finance and Industries Ltd; and hence have not been repeated here.

The relevant note reference in the standalone financial statements are given below :

Particulars	Note reference of Standalone financial Statements
1) Dues to micro, small and medium Enterprises	Note 10
2) Foreign exchange earnings and outgo	Note 28
3) Capital management	Note 33
4) Recent accounting pronouncements	Note 40

There are no changes arising out of inclusion of the subsidiaries in the above disclosures.

**35 Previous year figures have been re-grouped/re-casted wherever considered necessary to conform to this year's classification.**

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

Sd/-

**Brijendra Agrawal**

Partner

Membership No. 087787

for and on behalf of the Board of Directors

Sd/-

**Govind Swarup**

Director

DIN: 00003145

Sd/-

**Shweta Saxena**

Director & Company Secretary

DIN: 03120958/M.No: A18585

Sd/-

**Ashish Verma**

Director

DIN: 06939565

Sd/-

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

Place: New Delhi

Date: May 26, 2022



