



**Independent Auditor's Report
To the members of PNB Investment Services Limited**

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of **PNB Investment Services Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2021, and its Profit (financial performance) and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. Attention is drawn to Note 39 of the financial statements, which outline the fact that we have not received the confirmation of several parties for account balances as of March 31, 2021.

Our opinion is not modified in respect of the above matter.

Other Matter

5. The Financials Statements of the company as on March 31, 2021 were audited under exceptional circumstances due to prevailing lockdown conditions on account of Covid-19 pandemic. The audit was conducted remotely. Documentation and other requirements along with discussion with the management were held telephonically and over emails.





6. Attention is drawn to the fact that the corresponding figures for the year ended 31st March 2020 are based on the previously issued financial statement of the company that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statement on June 12, 2020.

Our opinion is not modified in respect of above matters.

Information Other than the Financial Statements and Auditor's Report Thereon

7. The Company's Board of Directors are responsible for the preparation of the other information. Other Information does not include the financial statements and our auditor's report thereon
8. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
10. 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.

Responsibilities of Management's for the Financial Statements

11. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standard 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 of 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.
12. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
13. 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

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. As part of an audit in accordance with Standards on Auditing, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - 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.
16. 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.
17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





Report on Other Legal and Regulatory Requirements

18. In our opinion and according to the information and explanation given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provision of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon us.
19. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
20. As required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with accounting standards specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date and our report dated 15th June, 2021 as per **Annexure B** expressed unmodified opinion;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, does not have any pending litigation which would impact on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;





SHARMA GOEL & CO. LLP
CHARTERED ACCOUNTANTS

21. As required by the Directions issued by the office of Comptroller & Auditor General of India under Section 143(5) of the Act, we report that:

- i. As per the information and explanation given to us and based on the verification of books of account, the company is maintaining its books of account in Accounting Software (Tally. ERP 9) and all the transactions are entered into the software.
- ii. As per the information and explanation given to us, there is no case of waiver/write off debts/loans/interest made by a lender to the company during the year.
- iii. As per the information and explanation given to us, the company has not received/receivable for special schemes from central/state agencies.

For Sharma Goel & Co. LLP
Chartered Accountants
FRN: 000643N/N500012



Rachit Mittal
Partner

Membership No.: 524105
UDIN: 21524105AAAAAC18361

Place: New Delhi
Date: 15th June, 2021



Annexure-A to the Independent Auditor's Report of even date to the members of PNB Investment Services Limited, on the Financial Statements for the year ended March 31, 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property. Accordingly, the provisions of Clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us and based on examination of the records of the company, the company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of company's products/services. Accordingly, the provision of clause 3(vi) of the order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and services tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.





- (b) There are no dues in respect of income-tax, Goods and services tax, duty of customs that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loan or borrowings to any bank or financial institution or government during the year. The company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanation given to us, the company is in compliance with Sections 177 and 188 of Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

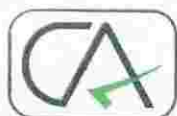
For Sharma Goel & Co. LLP
Chartered Accountants
FRN: 000643N/N500012

Rachit Mittal
Partner

Membership No.: 524105
UDIN: 21524105AAAACL8361



Place: New Delhi
Date: 15th June, 2021



Annexure-B to the Independent Auditor's Report of even date to the members of PNB Investment Services Limited, on the Financial Statements for the year ended March 31, 2021

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to Financial Statements of **PNB Investment Services Limited** ("the Company") as of 31 March 2021, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the company's 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 Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of





IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR 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 IFCoFR 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: New Delhi
Date: 15th June, 2021

For Sharma Goel & Co. LLP
Chartered Accountants
FRN: 000643N/N500012

Rachit Mittal
Partner

Membership No.: 524105
UDIN: 21524105AAAACL8361



PNB INVESTMENT SERVICES LIMITED
CIN: U65191DL2009GOI187146
Statement of Balance Sheet as at 31st March, 2021

(Amount in ₹)

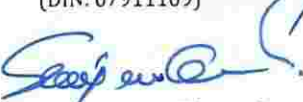
Particulars	Note No.	As At 31/03/2021	As At 31/03/2020
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	20,00,00,000	20,00,00,000
(b) Reserves and Surplus	4	23,74,44,155	22,84,25,809
		43,74,44,155	42,84,25,809
(2) Non Current Liabilities			
(a) Long-Term Provisions	5	1,07,02,722	88,23,528
		1,07,02,722	88,23,528
(3) Current Liabilities			
(a) Short Term Borrowings	6	-	29,71,427
(b) Other Current Liabilities	7	36,47,967	30,28,416
(c) Short-Term Provisions	8	17,29,436	3,65,581
		53,77,403	63,65,424
Total		45,35,24,280	44,36,14,761
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	9	23,16,388	28,79,416
(b) Deferred Tax Asset (Net)	10	50,46,400	48,90,000
(c) Long Term Loan and Advances	11	80,550	1,80,550
(d) Other Non-Current Assets	12	7,29,73,406	12,09,85,679
		8,04,16,744	12,89,35,645
(2) Current Assets			
(a) Trade Receivables	13	1,63,89,835	76,69,651
(b) Cash and Bank Balances	14	35,05,14,944	30,09,57,489
(c) Short-Term Loans and Advances	15	62,02,757	60,51,976
		37,31,07,536	31,46,79,116
Total		45,35,24,280	44,36,14,761

See accompanying notes to the Financial Statements

For and on behalf of Board of Directors


Arvind Kumar Jain
Independent Director
(DIN: 07911109)


Sanjay Kumar Bajaj
Managing Director & CEO
(DIN: 02018745)


Sanjeev Kumar Khemani
Chief Operating Officer cum CFO


Isha Goel
Company Secretary
(Membership No. 46828)

Place: New Delhi
Dated: 15/06/2021

As per our report of even date

For SHARMA GOEL & CO. LLP
Chartered Accountants
(Firm Regn. No.000643N/N500012)


Rachit Mittal
(Partner)
(Membership No. 524105)



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

Statement of Profit and Loss for the year ended 31st March, 2021

(Amount in ₹)

Particulars	Note No.	Year Ended 31/03/2021	Year Ended 31/03/2020
INCOME			
Revenue from Operations	16	5,32,95,102	4,65,83,903
Other Income	17	2,68,84,027	2,80,79,669
Total Revenue		8,01,79,129	7,46,63,572
EXPENSES			
Employee Benefit Expenses	18	5,08,57,894	4,95,75,515
Finance Cost	19	32,277	83,867
Depreciation and Amortization Expenses	20	6,79,188	6,23,148
Other Expenses	21	98,98,103	1,62,16,732
Total Expenses		6,14,67,462	6,64,99,262
Profit Before Extraordinary & Exceptional Items		1,87,11,667	81,64,310
Exceptional Items	22	-	-
Profit Before Tax		1,87,11,667	81,64,310
Tax Expense:			
i) Current Tax	23	48,70,000	28,40,000
ii) Tax relating to earlier years	23	(20,279)	(35,613)
iii) Deferred Tax Liability/ (Asset)		(1,56,400)	(3,09,000)
Profit for the year after tax		1,40,18,346	56,68,923
Earning per Equity Share:	24		
(1) Basic		0.70	0.28
(2) Diluted		0.70	0.28

See accompanying notes to the Financial Statements

For and on behalf of Board of Directors

As per our report of even date


Arvind Kumar Jain
 Independent Director
 (DIN: 07911109)


Sanjay Kumar Bajaj
 Managing Director & CEO
 (DIN: 02018745)


Sanjeev Kumar Khemani
 Chief Operating Officer cum CFO


Isha Goel
 Company Secretary
 (Membership No. 46828)

For SHARMA GOEL & CO. LLP
 Chartered Accountants
 (Firm Regn. No.000643N/N500012)



Rachit Mittal
 (Partner)
 (Membership No. 524105)

Place: New Delhi
 Dated: 15/06/2021

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

Statement of Cash Flow for the year ended 31st March, 2021


(Amount in ₹)


		Year Ended March 31, 2021		Year Ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Taxation		1,87,11,667		81,64,310
Adjustments for:				
Interest on Fixed Deposits	(2,50,28,415)		(2,80,46,453)	
Depreciation	6,79,188		6,23,148	
Loss/written off of Fixed Assets/(Profit)	(91,676)		-	
Interest Paid on Bank Overdraft	32,277		83,867	
Provision for Employee Benefits made/(reversed):	-		-	
- Gratuity	(10,240)		8,98,962	
- Leave Encashment	21,47,607		20,19,311	
Provision for doubtful debts/(Reversed)	(13,34,092)	(2,36,05,351)	10,28,826	(2,33,92,339)
Operating Profit/(Loss) before Working Capital Changes		(48,93,684)		(1,52,28,029)
Changes in current assets, Loans and Advances	(74,36,873)		73,04,244	
Changes in current Liability/Provisions	(12,46,194)	(86,83,067)	(6,70,429)	66,33,815
Net Cash flow/(used in) from operations		(1,35,76,751)		(85,94,214)
Direct Taxes paid (including Interest)	48,49,721	48,49,721	28,04,387	28,04,387
Net Cash Flow/ (used in) operating activities		(1,84,26,472)		(1,13,98,601)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1,70,046)		(5,57,067)	
Sale of Fixed Assets	1,45,562		-	
(Increase)/Decrease in Fixed deposit accounts (having maturity more than 12 months)	4,80,12,273		25,15,81,905	
Interest Income	2,50,28,415		2,80,46,453	
Net cash flow / (used in) investing activities		7,30,16,204		27,90,71,291
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid (including Dividend Distribution Tax)	(50,00,000)		(1,68,78,400)	
Interest paid on Bank Overdraft	(32,277)		(83,867)	
Net cash flow/(used in) financing activities		(50,32,277)		(1,69,62,267)
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)		4,95,57,455		25,07,10,423
Cash and Cash equivalents as at beginning of the year		30,09,57,489		5,02,47,066
Cash and Cash equivalents as at end of the year		35,05,14,944		30,09,57,489
Note:		As at March 31, 2021		As at March 31, 2020
1 Components of Cash and Cash equivalents:				
Cash on Hand		-		-
Balances with Banks in				
- Current Accounts		18,65,376		40,356
- Fixed Deposit Account having maturity within 3 months		7,89,84,183		2,95,02,425
		8,08,49,559		2,95,42,781
Add: Other Bank Balances				
Balances with Banks in				
- in Fixed Deposits account with maturity more than 3 months but within 12 months		26,96,65,385		27,14,14,708
		35,05,14,944		30,09,57,489

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the "Accounting Standard -3" on cash flow statement notified under the Companies (Accounting Standard) Rules, 2006 as amended from time to time.
- Previous years figures have been regrouped / rearranged wherever found necessary to make them comparable with the current year figures.

For and on behalf of Board of Directors

As per our report of even date


Arvind Kumar Jain
 Independent Director
 (DIN: 07911109)


Sanjeev Kumar Khemani
 Chief Operating Officer cum CFO


Sanjay Kumar Bajaj
 Managing Director & CEO
 (DIN: 02018745)


Isha Goel
 Company Secretary
 (Membership No. 46828)


For SHARMA GOEL & CO. LLP
 Chartered Accountants
 (Firm Regn. No.000643N/N500012)


Rachit Mittal
 (Partner)
 (Membership No. 524105)

Place: New Delhi
 Dated:15/06 /2021

PNB INVESTMENT SERVICES LIMITED
CIN: U65191DL2009GOI187146
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 1 : General Information

PNB Investment Services Limited is incorporated under companies Act 1956 [CIN: U65191DL2009GOI187146] on February 2, 2009 as a wholly owned subsidiary of Punjab National Bank, registered with SEBI as a Category I Merchant Banker. The Company commenced its operations on June 8, 2009. The Company is presently engaged in providing Merchant Banking, Corporate Advisory Services and Trusteeship Services etc.

The Registered office of the company is at 10, Rakesh Deep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave New Delhi DL 110049 IN

Note 2: Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with generally accepted accounting principles in India (GAAP), applicable statutory provisions, circulars and guidelines issued by various Regulatory Authorities and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 as amended upto date and the relevant provisions of Companies Act, 2013 to the extent applicable. All amounts are stated in Indian Rupees except as otherwise stated.

(b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements.

(c) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation.

(d) Depreciation

Depreciation on fixed assets is provided as follows:-

- i) Assets for Own Use/Leased Assets: At Straight Line Method on pro rata basis.
- ii) All the assets are depreciated as per the useful life specified in Schedule II to the Companies Act, 2013 according to their respective balance useful life.

(e) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(f) Revenue Recognition

Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists a reasonable certainty of its recovery

- i) The revenue in respect of activities of Issue Management & Merchant Banking Services, Underwriting, Placement of Debt / Equity issues, Project Appraisal, Loan Syndication, Trusteeship Business and Corporate Advisory Services are accrued on the basis of stage of completion of assignment, in accordance with the terms of contracts entered into between the Company and the counterparty.
- ii) Interest income on Short term Deposits/ Fixed Deposits with banks is recognized on accrual basis.

(g) Receivables

- i) Receivables are stated at original invoiced amount less provisions made for doubtful receivables. The Company regularly evaluates the probability of recovery and makes full provisions on trade receivable whose realisation are considered doubtful. Further, receivables outstanding for more than 24 months from the date of invoice are invariably considered doubtful. When the trade receivables are considered good, Company makes 50% provision on receivables outstanding for period exceeding 12 months and 10% provision on receivables outstanding for period exceeding 6 months but less than 12 months. When there is reasonable evidence that the Company will not be able to collect amounts due according to original terms of receivables, the same are considered as bad debts and written off in the books.

- ii) The amount retained by parties on account of TDS while making the payment are shown in trade receivable until TDS amount reflects in 26AS of the company.

(h) Leases

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



PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(i) Taxes on Income

- i) Tax expense comprises both current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income that originates in one period and is capable of reversal in one or more subsequent periods.
- ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(ii) Employee Benefits or Terminal Dues

Company commenced its operations in the year 2009-10, with staff on deputation from its parent company PNB. subsequently the company has recruited its own staff. In case of PNB employees on deputation, provision for terminal benefits etc are payable and provided for by PNB in its own books of accounts.

i) Gratuity:

Provision for gratuity is made on the basis of actuarial valuation which is done in accordance with Accounting Standard-15 on "Employee Benefits" and as per the provisions of payment of Gratuity Act, 1972.

ii) Leave Encashment:

All confirmed employees are eligible for Privilege Leave for maximum 30 days in a calendar year. 1 day for every 15 days worked excluding Privilege Leave and Loss of Pay availed during the year. Maximum accumulation of 120 days is allowed at any given time in the employee's service. The company has made provision of Leave Encashment on the basis of actuarial valuation which is done in accordance with Accounting Standard-15 on "Employee Benefits" based on the un-availed leaves of the company's employees as on Balance Sheet date.

(k) Provisions, Contingent Liabilities and Contingent Assets

i) Provisions :

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

ii) Contingent Liabilities :

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii) Contingent Assets :

Contingent assets are not recognized in the financial statements.

(l) Earning per share :

In determining basic earning per share, the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earning per share is weighted average number of shares outstanding during the year adjusted for any increase/decrease in the number of shares without corresponding change in resources.

(m) Diluted Earning Per Share:

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

(n) Prior Period Items

Income and expenditure relating to prior periods are disclosed separately in the financial statements subject to consideration of materiality.

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31/03/2021 (Amount in Rs.)	As At 31/03/2020 (Amount in Rs.)
Note 3 : SHARE CAPITAL		
<u>Authorised Capital</u> 3,00,00,000 Equity shares of Rs. 10/- each	30,00,00,000	30,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u> 2,00,00,000 Equity shares of Rs. 10/- each fully paid up	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000

Shares held by Holding/Ultimate Holding Company And/Or their Subsidiaries/Associates

Name of the shareholder	As At 31/03/2021	As At 31/03/2020
1) Punjab National Bank, the Holding Company and its nominees	2,00,00,000	2,00,00,000
- No. of Shares	100%	100%
- % of Total Shareholding		

Details of Shareholders holding more than 5% shares

Name of the shareholder	As At 31/03/2021	As At 31/03/2020
1) Punjab National Bank, the Holding Company and its nominees	2,00,00,000	2,00,00,000
- No. of Shares	100%	100%
- % of Total Shareholding		

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As At 31/03/2021	As At 31/03/2020
At the beginning of the year	2,00,00,000	2,00,00,000
Add:- Issued during the year	-	-
Outstanding at the end of the year	2,00,00,000	2,00,00,000

Terms/Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares with a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.

Note 4 : RESERVES AND SURPLUS		
Surplus in Statement of Profit and Loss		
Opening Balance	22,84,25,809	23,96,35,286
Less:		
Dividend Paid	50,00,000	1,40,00,000
Tax on Dividend	-	28,78,400
	22,34,25,809	22,27,56,886
Add:		
Profit for the year	1,40,18,346	56,68,923
Closing Balance	23,74,44,155	22,84,25,809

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31/03/2021 (Amount in Rs.)	As At 31/03/2020 (Amount in Rs.)
Note 5 : LONG TERM PROVISIONS		
Provision for Employee Benefits:		
- <u>Gratuity</u>		
As per last year	28,79,526	20,70,190
Less: Paid during the year	-	-
	28,79,526	20,70,190
Add: Provision made during the year	(14,961)	8,09,336
Closing Balance	28,64,565	28,79,526
- <u>Leave Encashment</u>		
As per last year	59,44,002	48,12,049
Less: Paid during the year	-	-
	59,44,002	48,12,049
Add: Provision made during the year	18,94,155	11,31,953
Closing Balance	78,38,157	59,44,002
	1,07,02,722	88,23,528

Note 6 : SHORT TERM BORROWINGS

(Secured)		
Loan Repayable on demand from a bank (Overdraft)*	-	29,71,427
	-	29,71,427

*Overdraft facility availed of Rs.2.25 Crore is secured against fixed deposits with maturity less than 12 months (including interest accrued) of Rs. 3,49,54,111.85/- (P.Y. Rs.3,28,54,378/-)

Note 7 : OTHER CURRENT LIABILITIES

Duties and Taxes	25,48,480	11,59,792
Advance Received from Customers	3,61,967	1,11,637
Expenses Payable	7,37,520	17,56,987
	36,47,967	30,28,416

Note 8 : SHORT TERM PROVISIONS

Provision for:		
(A) Employee Benefits:		
- <u>Gratuity</u>		
As per last year	54,639	48,371
Less: Paid during the year	-	83,358
	54,639	(34,987)
Add: Provision made during the year	4,721	89,626
Closing Balance	59,360	54,639
- <u>Leave Encashment</u>		
As per last year	3,10,942	2,68,741
Less: Paid during the year	1,87,645	8,45,157
	1,23,297	-5,76,416
Add: Provision made during the year	2,53,452	8,87,358
Closing Balance	3,76,749	3,10,942
(B) Provision for Income tax (net)	12,93,327	-
	17,29,436	3,65,581

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PNB INVESTMENT SERVICES LIMITED

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Note 9 : FIXED ASSETS		Gross Block (At Cost)					Depreciation			Net Block		(Amount in Rs.)
S.No.	Particulars	As at 01/04/2020	Additions During the Year	Deductions During the Year	As at 31/03/2021	Upto 01/04/2020	For the year	Adjustments During the Year	As at 31/03/2021	As at 31/03/2021	As at 31/03/2020	
I. Tangible Assets												
a)	Furniture & Fixtures	22,32,171	44,800	-	22,76,971	11,21,157	2,15,293	-	13,36,450	9,40,521	11,11,014	
b)	Vehicles	14,19,940	-	7,74,386	6,45,554	13,48,943	-	7,35,667	6,13,276	32,278	70,997	
c)	Office Equipments	5,84,478	-	91,700	4,92,778	3,46,962	67,556	88,493	3,26,026	1,66,752	2,37,517	
d)	Computers	29,64,887	1,25,246	9,94,593	20,95,539	22,70,839	2,96,919	9,82,634	15,85,124	5,10,415	6,94,048	
e)	Leasehold Improvement	9,40,362	-	-	9,40,362	1,74,521	99,420	-	2,73,941	6,66,421	7,65,841	
	Total	81,41,837	1,70,046	18,60,679	64,51,204	52,62,422	6,79,188	18,06,794	41,34,817	23,16,388	28,79,416	
	Previous Year	75,84,771	5,57,066	-	81,41,837	46,39,274	6,23,148	-	52,62,422	28,79,416		



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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

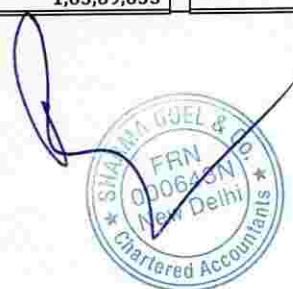
PARTICULARS	As At 31/03/2021 (Amount in Rs.)	As At 31/03/2020 (Amount in Rs.)
Note 10 : DEFERRED TAX ASSETS (net)		
Deferred Tax Asset/(Liability):		
- Provision for Employee Benefit	28,02,500	23,12,500
- Depreciation and Amortisation of Fixed Assets	1,35,100	1,33,500
- Provision for doubtful debts and advances	21,08,800	24,44,000
	50,46,400	48,90,000

Note 11 : LONG TERM LOANS AND ADVANCES		
(Unsecured , considered good)		
Security Deposits	80,550	1,80,550
	80,550	1,80,550

Note 12 : OTHER NON-CURRENT ASSETS		
Balance with Banks:		
- in Fixed Deposits account with maturity more than 12 months (including interest accrued)	7,29,73,406	8,81,31,301
- Fixed Deposit pledged as Security against the bank OD facility with maturity more than 12 months (including interest accrued)	-	3,28,54,378
	7,29,73,406	12,09,85,679

Note 13 : TRADE RECEIVABLES		
(Unsecured)		
Receivables outstanding for a period exceeding Six Months from the date they are due for payment		
-Considered good	84,23,529	72,19,978
-Considered doubtful	72,94,033	76,03,581
	1,57,17,562	1,48,23,559
Other trade receivables		
-Considered good	90,53,659	25,61,570
	2,47,71,221	1,73,85,129
Less: Provision against trade receivables	83,81,386	97,15,478
	1,63,89,835	76,69,651

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31/03/2021 (Amount in Rs.)	As At 31/03/2020 (Amount in Rs.)
Note 14 : CASH AND BANK BALANCES		
a) Cash and Cash Equivalents		
Balance with Banks:		
- in Current Accounts	18,65,376	40,356
- in Fixed Deposits account with maturity less than 3 months (including interest accrued)	7,89,84,183	2,95,02,425
- Fixed Deposit pledged as Security against the bank OD facility with maturity less than 3 months (including interest accrued)	-	-
	8,08,49,559	2,95,42,781
b) Other Bank Balances		
Balance with Banks:		
- in Fixed Deposits account with maturity more than 3 months but within 12 months (including interest accrued)	23,47,11,267	27,14,14,708
- Fixed Deposit pledged as Security against the bank OD facility with maturity more than 3 months but within 12 months (including interest accrued)	3,49,54,118	-
	26,96,65,385	27,14,14,708
	35,05,14,944	30,09,57,489

Note 15 : SHORT TERM LOANS AND ADVANCES		
A. (Unsecured, considered good)		
- Input Tax Credit of GST	-	5,40,409
- Imprest	2,741	5,962
- Prepaid Expenses	21,07,277	8,23,774
- Income Tax Refund (earlier years)	35,39,280	15,31,333
- Income Tax Refund (current year)	-	27,70,573
- Amount recoverable in cash or in kind or for the value to be received	5,53,459	3,79,925
	62,02,757	60,51,976
	62,02,757	60,51,976

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PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	Year Ended 31/03/2021	Year Ended 31/03/2020
	(Amount in Rs.)	(Amount in Rs.)
Note 16 : REVENUE FROM OPERATIONS		
Sale of services		
Merchant Banking Fee	80,63,015	-
Corporate Advisory Fee	2,14,90,000	2,76,65,000
Trusteeship fee	2,37,42,087	1,89,18,903
	5,32,95,102	4,65,83,903
Note 17 : OTHER INCOME		
Interest on Fixed Deposits	2,50,28,415	2,80,46,453
Excess Provision written back for Doubtful debts	13,34,092	-
Other Misc. Income	5,21,520	33,216
	2,68,84,027	2,80,79,669
Note 18 : EMPLOYEE BENEFIT EXPENSES		
Salary, Allowances and Other Benefits	5,03,08,221	4,89,26,911
Contribution to Statutory & Other funds	2,46,399	2,39,333
Staff Welfare	3,03,274	4,09,271
	5,08,57,894	4,95,75,515
Note 19 : FINANCE COSTS		
Interest paid on borrowings	32,277	83,867
	32,277	83,867
Note 20 : DEPRECIATION AND AMORTIZATION		
Depreciation on tangible assets	6,79,188	6,23,148
	6,79,188	6,23,148
Note 21 : OTHER EXPENSES		
Rent	30,06,626	29,91,372
Water & Electricity Expenses	3,06,074	5,00,452
Printing and Stationery	82,535	1,97,088
Postage, Telephone and Internet	3,70,234	3,05,230
Legal and Professional	21,06,941	24,79,319
Auditors Remuneration	2,27,500	1,92,500
Secretarial Audit fee	1,00,000	1,00,000
Conveyance, Tour and Travel	1,71,262	15,04,970
Repairs and Maintenance-others	1,49,837	2,45,226
Insurance	15,881	13,722
Fees and Subscription	21,77,161	19,92,805
Directors Sitting Fees	5,15,000	6,80,000
Board Meeting & AGM Expenses	56,324	2,07,798
Rates and Taxes	22,700	53,604
Miscellaneous Expenses	5,74,586	9,21,895
Bad Debts Written Off	-	27,58,536
Provision for doubtful debts	-	10,28,826
Business Promotion expenses	15,443	43,389
	98,98,103	1,62,16,732

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	Year Ended 31/03/2021	Year Ended 31/03/2020
	(Amount in Rs.)	(Amount in Rs.)
Note 22 : Extraordinary and Exceptional Items		
Loss/Written off Assets	-	-
	-	-

Note 23 : CURRENT TAX		
Provision for Income Tax for Current Year	48,70,000	28,40,000
Taxes paid/ (reversed) for Earlier years	(20279)	(35613)
	48,49,721	28,04,387

Note 24 : Earnings Per Share (EPS)		
PARTICULARS	Year Ended 31/03/2021	Year Ended 31/03/2020
Net Profit as per Statement of Profit and Loss used as numerator for calculating EPS	1,40,18,346	56,68,923
Number of Equity Shares at the beginning of the year	2,00,00,000	2,00,00,000
Number of Equity Shares issued during the year	-	-
Total number of Equity Shares outstanding at the end of the year	2,00,00,000	2,00,00,000
Weighted average number of Equity Shares outstanding during the year used as denominator for calculating EPS	2,00,00,000	2,00,00,000
Nominal Value of Equity Shares	10	10
Basic and Diluted Earnings per Share (Rs)	0.70	0.28

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PNB INVESTMENT SERVICES LIMITED
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 25:

- (a) The Securities and Exchange Board of India has granted the permanent Certificate of Registration in terms of Regulation 8A of SEBI (Merchant Bankers) Regulations, 1992 with effect from January 12, 2015 to carry on the activities as a Merchant Banker (Category I). This certificate has been issued after completion of three years of initial registration and two years of extension of initial registration.
- (b) The Securities and Exchange Board of India has granted the permanent Certificate of Registration in terms of Regulation 9A of SEBI (Debenture Trustee) (Amendment) Regulations, 2011 with effect from February 22, 2015 to carry on the activities as a Debenture Trustee. This certificate has been issued after completion of three years of initial registration and two years of extension of initial registration.

Note 26:

Breakup of remuneration paid to the statutory auditors of the Company:

Particulars	2020-21 Amount (Rs.)	2019-20 Amount (Rs.)
- Statutory audit under Companies Act	1,30,000.00	1,25,000.00
- Tax audit under Income -tax Act	42,500.00	42,500.00
- Certification Fees	20,000.00	20,000.00
- Reimbursement of Expenses	5,000.00	5,000.00
- Payment to Previous Auditor	30,000.00	-
Total	2,27,500.00	1,92,500.00

Note 27: Corporate Social Responsibility

Company is not required to spend on CSR activity during the FY 2020-21 (FY 2019-20 Rs. NIL) as the company does not fulfil the condition/required under the definition of CSR u/s 135 of companies Act 2013 since FY 2018-19.

Note 28: Dividend

Company has recommended a Dividend of Rs. 1,30,00,000/- (P.Y. Rs. 50,00,000/-) being 6.5% of the paid up Share Capital, that is, Rs. 6.5 per share on 2,00,00,000 Equity shares of Rs. 10 each fully paid up outstanding as on 31st March 2021 during the financial year 2020-21.

Note 29: Provision For Doubtful Debts

Trade receivables amounting to Rs. 72,94,032.68/-, including Rs. 33,57,306/- pertains to clients who have been referred to NCLT, are considered as doubtful of recovery and full provision for doubtful trade receivables has been made. In respect of other trade receivables, which are considered good and fully recoverable and outstanding for a period exceeding six months, a provision is made as per the company policy as explained in (g) of Note 2 of Significant Accounting Policies just as a matter of abundant precaution.

Note 30: LEASES

The Company has taken Delhi and Mumbai Office Premises on operating lease from the Parent Bank, whereas Ahmedabad office from Indian Chronicle Limited. The lease terms are renewable on such terms and conditions as may be mutually agreed between the parties.

Particulars	2020-21 Amount (Rs.)	2019-20 Amount (Rs.)
(a) Lease payments for the year	30,06,626.00	29,59,140.00
Minimum Lease payments:		
(b) Not later than one year	20,25,020.00	13,39,140.00
(c) Later than one year but not later than five years	15,90,500.03	21,28,103.53
(d) Later than five years	4,47,414.98	34,06,554.98

Note 31: Employee Benefit Obligations

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:-

(a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under :-

Particulars	2020-21 Amount (Rs.)	2019-20 Amount (Rs.)
- Contribution to Provident Fund	2,41,899	2,34,833
Total	2,41,899	2,34,833

(b) Defined Benefit Plans

Gratuity and Leave Encashment

The Present value obligation of Gratuity and Leave Encashment is determined based on actuarial valuation using projected unit credit method. Disclosure requirement as per Accounting Standard on Employee Benefit-AS (15)-As per actuarial valuation as on 31.03.21 are as follows:

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(i) Net Employees Benefits Expenses Recognized in the Employee Cost					
S.No.	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
1	Current Service Cost	4,49,026	7,10,832	20,61,598	17,97,504
2	Interest Cost on Benefit Obligation	1,99,523	1,64,824	4,25,336	3,95,285
3	Expected Return on Plan Assets	-	-	-	-
4	Actuarial Gain/(Loss)	(6,58,789)	23,306	(3,39,326)	(1,73,478)
5	Net Benefit Expenses	(10,240)	8,98,962	21,47,608	20,19,311
(ii) Net Liability as shown in Balance Sheet Date					
S.No.	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
1	Present Value of Defined Benefit Obligation	29,23,925	29,34,165	82,14,906	62,54,944
2	Fair Value of Plan Assets	-	-	-	-
3	Net Liability/(Assets) recognized in the Balance Sheet	(29,23,925)	(29,34,165)	(82,14,906)	(62,54,944)
(iii) Net Liability as shown in Balance Sheet Date under "Short Term/Long Term Provisions"					
S.No.	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
1	Opening present value of defined benefit plan	29,34,165	21,18,561	62,54,944	50,80,790
	-Current	54,639	48,371	3,10,942	2,68,741
	-Non-Current	28,79,526	20,70,190	59,44,002	48,12,049
2	Interest Cost	1,99,523	1,64,824	4,25,336	3,95,285
3	Current Service Cost	4,49,026	7,10,832	20,61,598	17,97,504
4	Actuarial (Gains)/Losses on Obligation	(6,58,789)	23,306	(3,39,326)	(1,73,478)
5	Benefits Paid	-	(83,358)	(1,87,646)	(8,45,157)
6	Closing Defined Benefit Plan	29,23,925	29,34,165	82,14,906	62,54,944
	-Current	59,360	54,639	3,76,749	3,10,942
	-Non-Current	28,64,565	28,79,526	78,38,157	59,44,002
(iv) Changes in Fair value and Plan Assets					
S.No.	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
1	Opening fair value of Plan Assets	-	-	-	-
2	Expected Return	-	-	-	-
3	Contribution made by Employer	-	-	-	-
4	Actuarial (Gains)/Losses on Obligation	-	-	-	-
5	Benefits Paid	-	-	-	-
6	Closing fair value of Plan Assets	-	-	-	-
(v) Actuarial Assumptions					
S.No.	Particulars	Gratuity		Leave Encashment	
		2020-21	2019-20	2020-21	2019-20
1	Interest and Discount Rate	6.80%	6.80%	6.80%	6.80%
2	Estimated Rate of Return on Plan Assets	-	-	-	-
3	Attrition Rate	-	-	-	-
4	Retirement Age	60.00	60.00	60.00	60.00
5	Salary Cost Increase Rate	6.00%	6.00%	6.00%	6.00%

Note 32: Related party disclosure

(a) Related parties with whom the Company had transactions

- | | |
|--------------------------------|--|
| i) Parent Bank/Holding Company | : Punjab National Bank |
| ii) Associate of Parent Bank | : PNB Housing Finance Limited |
| iii) Key Management Personnel | : Mr. Sanjay Bajaj, Managing Director & CEO |
| | Mr. Sanjeev Khemani, Chief Operating Officer cum CFO (from 06-12-2019) |
| | Mr. Saurabh Malhotra, Chief Operating Officer cum CFO (upto 9-12-2019) |
| | Ms. Isha Goel, Company Secretary |

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(b) Transactions with related party

Nature of Transaction	2020-21	2019-20
	Amount (Rs.)	Amount (Rs.)
Key Management Personnel		
- Remuneration to Managing Director cum CEO (Mr. Sanjay Bajaj)	1,66,00,000	1,66,00,000
- Remuneration to Chief Operating Officer cum CFO (Mr. Sanjeev Khemani)	20,57,197	6,39,340
- Remuneration to Chief Operating Officer cum CFO (Mr. Saurabh Malhotra) (upto 9-12-2019)	-	10,53,684
- Remuneration to Company Secretary (Ms. Isha Goel)	6,30,000	6,30,000
Punjab National Bank, Parent Bank/Holding Company		
(a) Expenditure		
- Rent	26,52,206	26,36,952
- Interest on Overdraft facility	32,277	83,867
- Bank Charges	26,413	23,596
- Director Sitting Fees	2,00,000	3,25,000
(b) Income		
- Interest on Fixed Deposits	2,50,28,415	2,80,46,453
- Merchant Banking Fee	80,63,015	-
- Trusteeship Fee	5,96,986	2,00,000
- Corporate Advisory fee	70,00,000	22,50,000
PNB Housing Finance Limited, Associate of Parent Company		
(a) Income		
- Trusteeship Fee	2,00,000	2,00,000

(c) Balance with related parties

Particulars	Recoverable / (Payable) as at	
	2020-21	2019-20
	Amount (Rs.)	Amount (Rs.)
Punjab National Bank, Parent Bank/Holding Company		
(a) Receivable		
- Fixed Deposits	39,41,11,710	39,07,23,838
- Accrued Interest on FDR	2,75,11,265	3,11,78,974
- Closing Balances of Current Accounts	18,65,376	40,356
- Sundry Debtors	92,41,133	18,45,095
(b) Payables		
- Loan Repayable on demand (Overdraft)	-	29,71,427
- Rent Payable	48,015	8,44,293
- Director Sitting fees payable	-	63,000

- (d) COO cum CFO of the company - a Key Management Personnel, is on deputation from the Parent Bank - PNB and remuneration of the Key Management Personnel on deputation from PNB is paid in accordance with the service rules of the Parent Bank, which has been charged as expenditure in the books of the company.

Note 33: Segment Reporting

The Company's business activities predominantly relates to providing Merchant Banking and Consultancy Services to Corporate clients including services related to Security Trustee activities. As majority of the income is generated from Consultancy Services, hence segment reporting, as defined in Accounting Standard - 17, is not applicable.

Note 34:

Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act):

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	Nil	Nil
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 35: Current Assets

The value of current assets, loans and advances other than those stated otherwise, if realized in the ordinary course of business, shall at least be equal the amount at which those are stated in the balance sheet.

Note 36: Current Liabilities

All known liabilities have been accounted for in the books of Accounts. In the opinion of management, provision for income tax and other expenses/liabilities made in the books of accounts is adequate and is not excessive.

Note 37: Contingent Liabilities & Capital Commitments

Particulars	2020-21	2019-20
	Amount (Rs.)	Amount (Rs.)
- Contingent Liabilities	Nil	Nil
- Capital Commitments	Nil	Nil
Total	-	-

Note 38: Impact of Covid-19 pandemic on the business

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

Note 39: Balance Confirmation

The management of the company have requested to parties for confirmation of their Account balances, however, several parties including PNB (Parent company) have not confirmed their balances. In the opinion of the management of the company these balances are fully recoverable and will be settled in coming months.

Note 40:

Figures for the previous year have been regrouped / recast / rearranged wherever considered necessary to make them comparable with those of current year.

For and on behalf of Board of Directors

Arvind Kumar Jain
Independent Director
(DIN: 07911109)

Sanjeev Kumar Khemani
Chief Operating Officer cum CFO

Place: New Delhi
Dated: 15 / 06 /2021

Sanjay Kumar Bajaj
Managing Director & CEO
(DIN: 02018745)

Isha Goel
Company Secretary
(Membership No. 46828)

As per our report of even date

For SHARMA GOEL & CO. LLP
Chartered Accountants
(Firm Regn. No.000643N/N500012)

Rachit Mittal
(Partner)
(Membership No. 524105)

