

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

Report on the Audit of the Financial Statements

Opinion

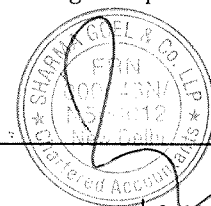
1. We have audited the accompanying Financial Statements of **PNB Investment Services Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and summary of the significant accounting policies 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 2022, 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.

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

4. 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.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. 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.
7. 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.



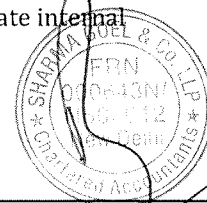


Management's Responsibilities for the Financial Statements

8. 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.
9. 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.
10. 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:

11. 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.
12. 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.

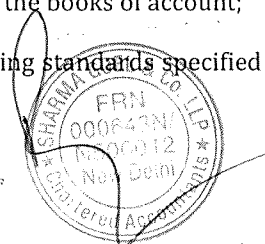




- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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.
13. 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.
14. 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.

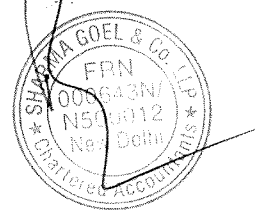
Report on Other Legal and Regulatory Requirements

15. 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.
16. As required by the Companies (Auditor's Report) Order, 2020 ('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.
17. 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 2022 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 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date and our report dated 26 April 2022 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 2022;
 - 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 2022;
 - 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 2022.
- h) (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.





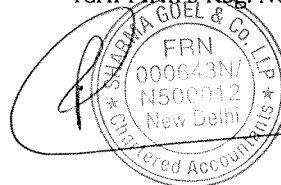
18. As required by the Directions issued by the office of Comptroller & Auditor General of India under Section 143(5) of the Act, we report that:

- 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

ICAI Firm's Reg. No.: 000643N/N500012



Rachit Mittal
Partner

Membership No.: 524105

UDIN: 22524105AILTPK4692

Place: New Delhi
Date: 26/04/2022

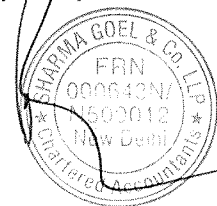


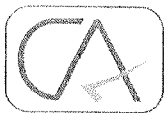
Annexure-A to the Independent Auditor's Report of even date to the members of PNB Investment Services Limited, on the Financial Statements for the year ended March 31, 2022

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:

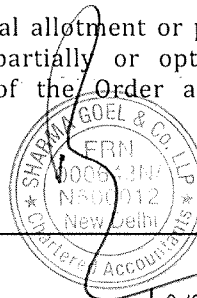
- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company does not have any intangible assets. Accordingly, the provisions of Clause 3(i)(a)(B) of the Order are not applicable.
- (b) The Property, Plant and Equipment 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.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year. Accordingly, the provisions of Clause 3(i)(d) of the Order are 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 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of clause 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.



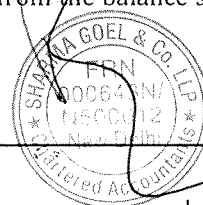


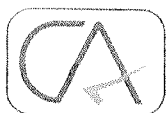
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified 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) 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 (43 of 1961).
- (ix) (a) The company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the order is not applicable.
- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any Long Term loans and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have prima facie not been used during the year for long term purposes by 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 loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, provisions of clause 3(x)(b) of the Order are not applicable.





- (xi) (a) No fraud by the Company or on the company has been noticed or reported during the period covered by our audit.
- (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. Accordingly the provision of clause 3(xi)(c) of the order is not applicable.
- (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) (a) The Company has an adequate Internal Audit System in place that commensurate with the size and 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) 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) (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Hence, reporting under clause 3 (xvi)(a), (b) and (c) of the order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors of the company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of Current assets and payment of Current liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exist as on the date of our Audit Report and the company is 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. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



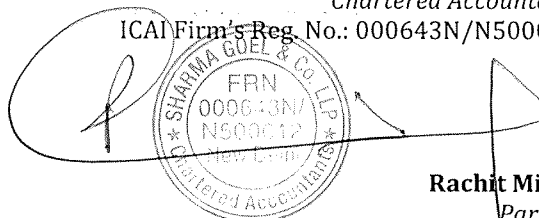


- (xx) The company is not required to spend on CSR activities. Accordingly, the provision of clause 3 (xx) of the order are not applicable.

For Sharma Goel & Co. LLP

Chartered Accountants

ICAI Firm's Reg. No.: 000643N/N500012

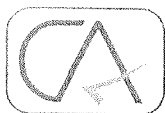


Rachit Mittal
Partner

Membership No.: 524105

UDIN: 22524105AILTPK4692

Place: New Delhi
Date: 26/04/2022



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, 2022

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 2022, 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 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.

Management's Responsibility for Internal Financial Controls

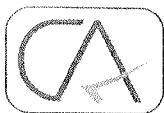
The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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

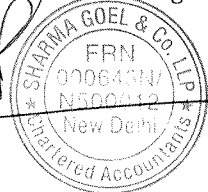
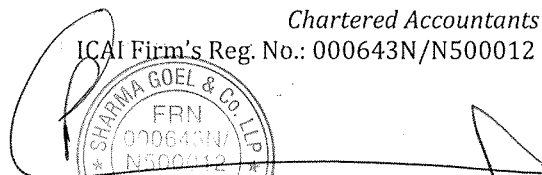
A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures 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: 26/04/2022

For Sharma Goel & Co. LLP
Chartered Accountants
ICAI Firm's Reg. No.: 000643N/N500012



Rachit Mittal
Partner
Membership No.: 524105
UDIN: 22524105AILTPK4692

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GO1187146
Balance Sheet as at 31st March, 2022

(Amount in ₹)

Particulars	Note No.	As At 31/03/2022	As At 31/03/2021
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds	3	200,000,000	200,000,000
(a) Share Capital	4	269,979,536	237,444,155
(b) Reserves and Surplus		469,979,536	437,444,155
(2) Non Current Liabilities	5	5,518,454	10,702,722
(a) Long-Term Provisions		5,518,454	10,702,722
(3) Current Liabilities	6	150,540	-
(a) Short Term Borrowings	7	8,217,280	3,647,967
(b) Other Current Liabilities	8	6,240,701	1,729,436
(c) Short-Term Provisions		14,608,521	5,377,403
Total		490,106,511	453,524,280
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment and Intangible Assets	9	1,817,044	2,316,388
(i) Property, Plant and Equipments	10	3,361,790	5,046,400
(b) Deferred Tax Asset (Net)		-	-
(c) Long Term Loan and Advances	11	397,038,719	73,053,956
(d) Other Non-Current Assets		402,217,553	80,416,744
(2) Current Assets			
(a) Trade Receivables	12	7,997,952	16,389,835
(b) Cash and Bank Balances	13	77,044,459	350,514,944
(c) Short-Term Loans and Advances	14	2,846,547	6,202,757
		87,888,958	373,107,536
Total		490,106,511	453,524,280

Notes to Accounts

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See accompanying notes to the Financial Statements

For and on behalf of Board of Directors

As per our report of even date

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

Arvind Kumar Jain
Independent Director
(DIN: 07911109)

Taufique Alam
Managing Director & CEO
(DIN: 09509383)

Sanjeev Kumar Khemani
Chief Operating Officer cum CFO

Isha Goel
Company Secretary
(Membership No. 46828)

Rachit Mittal
Partner
(Membership No. 524105)

Place: New Delhi
Dated: 26/04/2022

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009G01187146

Statement of Profit and Loss for the year ended 31st March, 2022

(Amount in ₹)

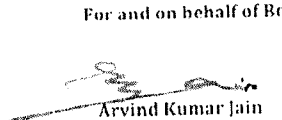
Particulars	Note No.	Year Ended 31/03/2022	Year Ended 31/03/2021
INCOME			
Revenue from Operations	15	95,873,699	53,295,102
Other Income	16	25,128,970	26,884,027
Total Income		121,002,669	80,179,129
EXPENSES			
Employee Benefit Expenses	17	47,102,028	50,857,894
Finance Cost	18	35,515	32,277
Depreciation and Amortization Expenses	19	617,287	679,188
Other Expenses	20	12,277,781	9,898,103
Total Expenses		60,032,611	61,467,462
Profit Before Extraordinary & Exceptional Items		60,970,057	18,711,667
Exceptional Items	21		
Profit Before Tax		60,970,057	18,711,667
Tax Expense:			
i) Current Tax	22	13,726,618	4,870,000
ii) Tax relating to earlier years	22	23,448	(20,279)
iii) Deferred Tax Liability/ (Asset)		1,684,610	(156,400)
Profit for the year after tax		45,535,381	14,018,346
Earning per Equity Share (EPS):	23		
(1) Basic		2.28	0.70
(2) Diluted		2.28	0.70

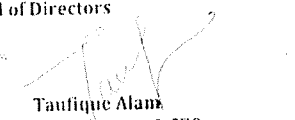
Notes to Accounts

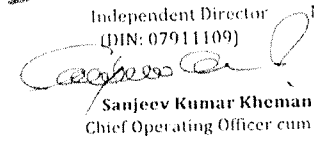
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See accompanying notes to the Financial

For and on behalf of Board of Directors


Arvind Kumar Jain
 Independent Director
 (DIN: 07911109)


Taufique Alam
 Managing Director & CEO
 (DIN: 09509383)


Sanjeev Kumar Khemani
 Chief Operating Officer cum CFO


Isha Goel
 Company Secretary
 (Membership No. 46828)

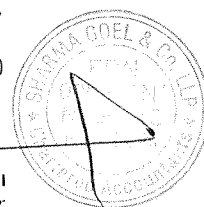
Place: New Delhi
Dated: 7/04/2022

As per our report of even date

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



Rachit Mittal
 Partner
 (Membership No. 524105)



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GO1187146

Statement of Cash Flow for the year ended 31st March, 2022.

(Amount in ₹)

Particulars		Year Ended March 31, 2022		Year Ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Taxation		60,970,057		18,711,667
Adjustments to reconcile net income to get net cash from operating activities:				
Interest on Fixed Deposits	(22,679,651)		(25,028,415)	
Depreciation and Amortization Expenses	617,287		679,188	
Loss/(written off) of Fixed Assets/(Profit)			(91,676)	
Interest Paid on Bank Overdraft	35,515		32,277	
Provision for Employee Benefits made/(reversed):				
- Gratuity	296,156		(10,240)	
- Leave Encashment	(11,771,345)		2,147,607	
Provision for doubtful debts/(Reverse)	(894,030)	(2,5096,075)	(1,334,092)	(23,605,351)
Operating Profit/(Loss) before Working Capital Changes		37,073,982		(4,893,684)
Changes in current assets, Loans and Advances	12,642,130		(7,436,873)	
Changes in current Liability/Provisions	16,07,606	14,279,796	(1,246,194)	(8,683,067)
Net Cash flow/(used in) from operations		51,353,779		(13,576,751)
Direct Taxes paid (including Interest)	10,365,694	10,365,693	4,849,721	4,849,721
Net Cash Flow/ (used in) operating activities		40,988,086		(18,426,472)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipments	(117,944)		(170,046)	
Sale of Property, Plant & Equipments			115,562	
(Increase)/Decrease in Fixed deposit accounts (having maturity more than 12 months)	(323,981,763)		48,012,273	
Interest Income	22,679,651		25,028,415	
Net cash flow/(used in) Investing activities		(301,423,056)		73,016,205
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid (including Dividend Distribution Tax)	(13,000,000)		(5,000,000)	
Interest paid on Bank Overdraft	(35,515)		(32,277)	
Net cash flow/(used in) financing activities		(13,035,515)		(5,032,277)
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)		(273,470,485)		49,557,456
Cash and Cash equivalents as at beginning of the year		350,514,944		300,957,489
Cash and Cash equivalents as at end of the year		77,044,459		350,514,944

Note:

		As at March 31, 2022		As at March 31, 2021
1. Components of Cash and Cash equivalents:				
Cash on Hand				
Balances with Banks in				
- Current Accounts		141,836		1,865,376
- Fixed Deposit Account having maturity Period of 3 months or Less		141,836		78,984,183
Add: Other Bank Balances				
Balances with Banks in				
- in Fixed Deposits account with maturity period within 12 months		76,902,623		269,665,305
		77,044,459		350,514,944

2. 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.
3. 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)

Taufique Alam

Managing Director & CEO

(DIN: 09509383)

Sanjeev Kumar Khemani

Chief Operating Officer cum CFO

Isha Goel

Company Secretary

(Membership No. 46828)

For SHARMA GOEL & CO. LLP

Chartered Accountants

(ICAI Firm Regn. No.000643N/N500012)

Rachin Mittal

(Partner)
(Membership No. 521105)

Place: New Delhi

Dated: 26/04/2022

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009G01187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 1: General Information

PNB Investment Services Limited is incorporated under companies Act 1956 [CIN: U65191DL2009G01187146] 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.

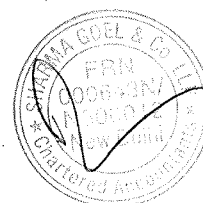
(g) Receivables

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

CIN: U65191DL2009GC01187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 12 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:

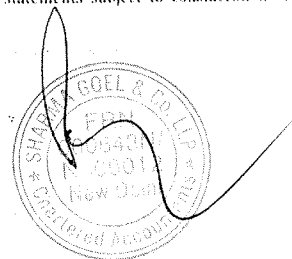
In determining basic earning per share, the Company considers the net profit after tax and includes the post-tax effect of any extraordinary items. The number of shares used in computing basic earning per share is weighted average number of shares outstanding during the year adjusted for any increase/decrease 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.



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GO1187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2022

(Amount in ₹)

PARTICULARS	As At 31/03/2022	As At 31/03/2021
Note 3 : SHARE CAPITAL		
<u>Authorised Capital</u> 3,00,00,000 Equity shares of Rs. 10/- each	300,000,000	300,000,000
<u>Issued, Subscribed and Paid-up Capital</u> 2,00,00,000 Equity shares of Rs. 10/- each fully paid up	200,000,000	200,000,000
	200,000,000	200,000,000

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

Name of the shareholder	As At 31/03/2022	As At 31/03/2021
1) Punjab National Bank, the Holding Company and its nominees	20,000,000	20,000,000
- No. of Shares	100%	100%
- % of Total Shareholding		

Details of Shareholders holding more than 5% shares

Name of the shareholder	As At 31/03/2022	As At 31/03/2021
1) Punjab National Bank, the Holding Company and its nominees	20,000,000	20,000,000
- 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 31/03/2022	As At 31/03/2021
At the beginning of the year	20,000,000	20,000,000
Add:- Issued during the year	-	-
Outstanding at the end of the year	20,000,000	20,000,000

Share held by Promoters at the end of the year

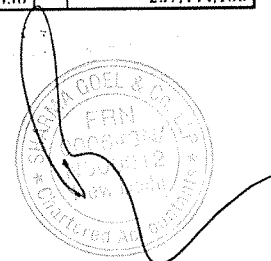
Particulars	
Promoter Name	Punjab National Bank, the Holding Company
No. Of Shares	20,000,000
% of total shares	100%
% Change during the year	-

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	237,444,155	228,425,809
Less:		
Dividend Paid	13,000,000	5,000,000
	224,444,155	223,425,809
Add:		
Profit for the year	45,535,381	14,018,346
Closing Balance	269,979,536	237,444,155

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2022

(Amount in ₹)

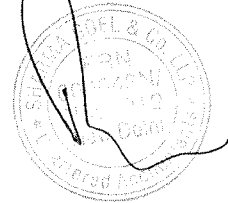
PARTICULARS	As At 31/03/2022	As At 31/03/2021
Note 5 : LONG TERM PROVISIONS		
Provision for Employee Benefits:		
- <u>Gratuity</u>		
As per last year	2,864,565	2,879,526
Less: Paid during the year	730,952	-
	2,133,613	2,879,526
Add: Provision made during the year	(132,418)	(14,961)
Closing Balance	2,001,195	2,064,565
- <u>Leave Encashment</u>		
As per last year	7,038,157	5,944,002
Less: Paid during the year	2,242,194	-
	5,595,963	5,944,002
Add: Provision made during the year	2,078,704	1,894,155
Closing Balance	3,517,259	7,838,157
	5,518,454	10,702,722

Note 6 : SHORT TERM BORROWINGS		
(Secured)		
Loan Repayable on demand from a bank (Overdraft)*	150,540	-
	150,540	-

*Overdraft facility availed of Rs. 2 Crore is secured against fixed deposits with maturity more than 12 months (including interest accrued) of Rs. 2,37,02,994/- (PY Rs. 3,49,54,111)

Note 7 : OTHER CURRENT LIABILITIES		
Duties and Taxes	4,343,781	2,548,480
Advance Received from Customers	106,561	361,967
Expenses Payable	3,766,938	737,520
	8,217,280	3,647,967

Note 8 : SHORT TERM PROVISIONS		
Provision for:		
(A) Employee Benefits:		
- <u>Gratuity</u>		
As per last year	59,360	54,639
Less: Paid during the year	-	-
	59,360	54,639
Add: Provision made during the year	428,574	4,721
Closing Balance	487,934	59,360
- <u>Leave Encashment</u>		
As per last year	376,749	310,942
Less: Paid during the year	109,041	187,645
	267,708	123,297
Add: Provision made during the year	807,359	253,452
Closing Balance	1,075,067	376,749
(B) Provision for Income tax (net)	4,677,700	1,293,327
	6,240,701	1,729,436



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2022

(Amount in ₹)

PARTICULARS	As At 31/03/2022	As At 31/03/2021
Note 10 : DEFERRED TAX ASSETS (net)		
Deferred Tax Asset/(Liability):		
- Provision for Employee Benefit	1,782,261	2,802,500
- Depreciation and Amortisation of Fixed Assets	169,192	135,100
- Provision for doubtful debts and advances	1,410,337	2,108,800
	3,361,790	5,046,400

Note 11 : OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Security Deposits	80,550	80,550
Balance with Banks:		
- in Fixed Deposits account with maturity more than 12 months (including interest accrued)	373,255,175	72,973,406
- Fixed Deposit pledged as Security against the bank OD facility with maturity more than 12 months (including interest accrued)	23,702,994	-
	397,038,719	73,053,956

PNB INVESTMENT SERVICES LIMITED

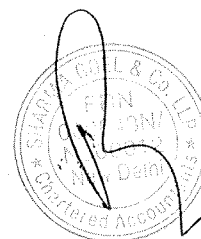
CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2022

(Amount in ₹)

PARTICULARS	As At 31/03/2022	As At 31/03/2021
Note 13 : CASH AND BANK BALANCES		
a) Cash and Cash Equivalents		
Balance with Banks		
- in Current Accounts	141,836	1,865,376
- in Fixed Deposits account with maturity less than 3 months (including interest accrued)		78,984,183
- Fixed Deposit pledged as Security against the bank OD facility with maturity less than 3 months (including interest accrued)		-
	141,836	80,849,559
b) Other Bank Balances		
Balance with Banks:		
- in Fixed Deposits account with maturity more than 3 months but within 12 months (including interest accrued)	76,902,623	234,711,267
- Fixed Deposit pledged as Security against the bank OD facility with maturity more than 3 months but within 12 months (including interest accrued)		34,954,118
	76,902,623	269,665,385
	77,044,459	350,514,944
Note 14 : SHORT TERM LOANS AND ADVANCES		
A. (Unsecured, considered good)		
- Input Tax Credit of GST		
- Imprest	6,234	2,741
- Prepaid Expenses	1,618,418	2,107,277
- Income Tax Refund Receivable	689,434	3,539,280
- Amount recoverable in cash or in kind or for the value to be received	532,461	553,459
	2,846,547	6,202,757
	2,846,547	6,202,757

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Note No. 12: Trade Receivables as on 31st March'2022

Outstanding for following periods from due date of payment

(Amount in Rs.)

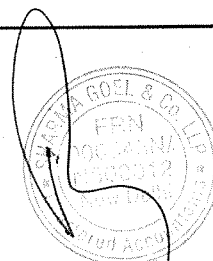
Particulars	Less than 6 months	6 months -1 years	1-2 years	2-3 years	More than 3 years	Total As On 31/03/2022
Undisputed Trade Receivable-						
Considered Good	5,614,048	1,926,560	1,300,000	-	-	8,840,608
Considered Doubtful	-	-	-	135,500	4,625,534	4,761,034
Disputed Trade Receivable						
Considered Doubtful	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Grand Total	5,614,048	1,926,560	1,300,000	135,500	4,625,534	13,601,642
Less: Provision against Trade Receivable	-	192,656	650,000	135,500	4,625,534	5,603,690
Trade Receivable as on 31.03.2022						7,997,952

Trade Receivables as on 31st March'2021

Outstanding for following periods from due date of payment

(Amount in Rs.)

Particulars	Less than 6 months	6 months -1 years	1-2 years	2-3 years	More than 3 years	Total As On 31/03/2021
Undisputed Trade Receivable-						
Considered Good	9,053,659	7,811,029	612,500	-	-	17,477,188
Considered Doubtful	-	-	-	3,849,960	3,444,073	7,294,033
Disputed Trade Receivable						
Considered Doubtful	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Grand Total	9,053,659	7,811,029	612,500	3,849,960	3,444,073	24,771,221
Less: Provision against Trade Receivable	-	781,103	306,250	3,849,960	3,444,073	8,381,386
Trade Receivable as on 31.03.2021						16,389,835



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

Note 9 : Property, Plant and Equipments As On 31st March'2022

(Amount in Rs.)

S.No.	Particulars	Gross Block (At Cost)				Depreciation				Net Block	
		As at 01/04/2021	Additions During the Period	Deductions During the Period	As at 31/03/2022	Upto 01/04/2021	For the Period 31.03.2022	Adjustments During the Year	As at 31/03/2022	As at 31/03/2022	As at 31/03/2021
I.	Tangible Assets										
a)	Furniture & Fixtures	2,276,971	44,800	-	2,321,771	1,336,450	204,442	-	1,540,892	780,879	940,521
b)	Vehicles	645,554	-	-	645,554	613,276	-	-	613,276	32,278	32,278
c)	Office Equipments	492,778	-	-	492,778	326,026	59,896	1,340	387,262	105,516	166,752
d)	Computers	2,095,539	73,144	-	2,168,683	1,585,124	252,190	-	1,837,314	331,370	510,415
e)	Leasehold Improvement	940,362	-	-	940,362	273,941	99,420	-	373,361	567,001	666,421
	Total	6,451,204	117,944	-	6,569,148	4,134,817	615,948	1,340	4,752,104	1,817,044	2,316,388
	Previous Year	8,141,837	170,046	1,860,679	6,451,204	5,262,422	679,188	1,806,794	4,134,817		

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

PARTICULARS	Year Ended 31/03/2022	Year Ended 31/03/2021
Note 15 : REVENUE FROM OPERATIONS		
Sale of services		
Merchant Banking Fee	3,292,600	8,063,015
Corporate Advisory Fee	70,060,000	21,490,000
Trusteeship fee	22,521,099	23,742,087
	95,873,699	53,295,102

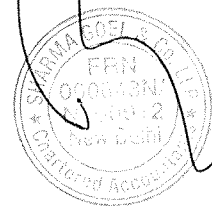
Note 16 : OTHER INCOME		
Interest on Fixed Deposits	22,679,651	25,028,415
Interest on Income Tax Refund	283,936	-
Excess Provision of Doubtful debts Written back	894,038	1,334,092
Reversal of Excess Provision of Leave Encashment	1,271,345	-
Reversal of Excess Provision of Gratuity	-	10,240
Other Misc. Income	-	511,280
	25,128,970	26,884,027

Note 17 : EMPLOYEE BENEFIT EXPENSES		
Salary, Allowances and Other Benefits	45,862,241	48,160,614
Contribution to PF, Statutory & Other funds	309,924	246,399
Staff Welfare	633,707	303,274
Provision for Gratuity	296,156	-
Provision for Leave Encashment	-	2,147,607
	47,102,028	50,857,894

Note 18 : FINANCE COSTS		
Interest paid on borrowings	35,515	32,277
	35,515	32,277

Note 19 : DEPRECIATION AND AMORTIZATION		
Depreciation on tangible assets	617,287	679,188
	617,287	679,188

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PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

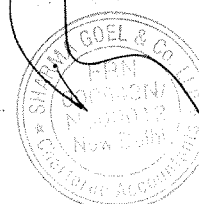
(Amount in ₹)

PARTICULARS	Year Ended 31/03/2022	Year Ended 31/03/2021
Note 20 : OTHER EXPENSES		
Rent	4,163,688	3,006,626
Water & Electricity Expenses	456,848	306,074
Fees and Subscription	2,112,049	2,177,161
Consultancy and Professional Service Charges	2,525,835	2,106,941
Directors Sitting Fees	950,000	515,000
Postage, Telephone and Internet	204,783	370,234
Conveyance, Tour and Travel	370,292	171,262
Repairs and Maintenance-others	169,890	149,837
Printing and Stationery	124,565	82,535
Auditors Remuneration	197,500	227,500
Secretarial Audit fee	35,000	100,000
Insurance	14,445	15,881
Board Meeting & AGM Expenses	64,280	56,324
Rates and Taxes	14,800	22,700
Miscellaneous Expenses	670,041	574,586
Business Promotion expenses	203,765	15,443
	12,277,781	9,898,103

Note 21 :Exceptional Items		
Loss/Written off Assets	-	-

Note 22 : CURRENT TAX		
Provision for Income Tax for Current Year	13,726,618	4,870,000
Taxes paid/ (reversed) for Earlier years	23,448	(20279)
	13,750,066	4,849,721

Note 23 : Earnings Per Share (EPS)		
Net Profit as per Statement of Profit and Loss used as numerator for calculating EPS (Rs)	45,535,381	14,018,346
Number of Equity Shares at the beginning of the year	20,000,000	20,000,000
Number of Equity Shares issued during the year	-	-
Total number of Equity Shares outstanding at the end of the year	20,000,000	20,000,000
Weighted average number of Equity Shares outstanding during the year used as denominator for calculating EPS	20,000,000	20,000,000
Nominal Value of Equity Shares	10	10
Basic and Diluted Earnings per Share (Rs)	2.28	0.70



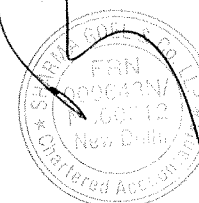
PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 24 : Financial Ratios

	Particulars	Numerator	Denominator	Ratio for FY 2021-22	Ratio for FY 2020-21	% Variance	Reason for Variance
(a)	Current Ratio (Current Assets/Current Liab.)	87,688,958	13,609,521	6.02	69.38	-91%	Variance in Current Ratio is high due to categorisation of FDRs maturing within one year as current assets, which were of Rs. 31.37 Crs as on 31.03.2021 as against the outstanding FDRs maturing within one year of Rs. 7.69 Cr as on 31.03.2022. The Current Ratio of 6.02:1 as at 31.3.22 is quite comfortable. However as compared to last year's figure which is abnormally high at 69.38:1, it appears to be low. Such FDRs having maturity period of less than 1 year as at 31.03.2021 have mostly been renewed for a period of more than 1 year and consequently, there is net increase of Rs. 32.40 crore in FDRs having maturity of more than 12 months as at 31.03.2022.
(b)	Return on Equity Ratio (PAT/Ag Shareholder Equity)	45,535,381	453,711,845	10.01%	3.24%	210%	Increase in "Return on Equity" Ratio is due to higher Net Profit of Rs. 4.55 Cr in FY 2021-22 as compared to Rs. 1.40 Cr registered in FY 20-21. Higher variance signifies improved profitability of the company as compared to previous year.
(c)	Trade Receivables Turnover Ratio (Net Credit Sale/Ag Debtor)	95,873,699	12,103,894	7.84	4.43	77%	Increase in Trade Receivable Turnover ratio signifies better management of Trade Receivables. The Company has achieved Higher Turnover of Rs 9.59 cr as compared to previous year turnover of Rs. 5.33 Cr despite achieving higher Turnover, the company's debtors have reduced from Rs. 1.04 Cr as at 31.3.21 to Rs. 0.00 Cr as at 31.3.22. Consequently company's average Debtor Turnover Ratio improved.
(d)	Net Capital Turnover Ratio (Net Sales/Ag Working Capital)	95,873,699	220,505,285	0.43	0.16	176%	Increase in "Net Sales to Working Capital" Ratio signifies the better Working Capital management. Higher Turnover achieved in FY 21-22 as compared to the previous year along with higher profits which have resulted in improved availability of working capital funds.
(e)	Net Profit Ratio (Net Profit/Net Sale)	45,535,381	95,873,699	47.50%	26.30%	81%	Increase in "Net Profit Ratio" signifies the higher Profitability in FY 21-22 as compared to the Previous Year. Higher variance is due to Higher Turnover and Higher Net Profit in FY 2021-22 as compared to the previous Financial year.
(f)	Return on Capital Employed (ROCE)/Capital Employed	61,005,572	469,979,536	12.98%	4.28%	204%	Increase in "Return on Capital Employed Ratio" denotes improve efficiency of capital employed to earn better returns.
(g)	Return on Investment	Not Applicable as no investment in Equity Money Market by PNBISL.					
(h)	Debt Service Coverage Ratio (Earning Available for Debt/Debt)	Not Applicable as no Debt on PNBISL.					
(i)	Debt Equity Ratio (Total Debt/Shareholder's Equity)	Not Applicable as no Debt on PNBISL.					
(j)	Trade Payable Turnover Ratio	Not Applicable as no Goods Purchase during the year.					
(k)	Inventory Turnover Ratio	Not Applicable as no Inventory in PNBISL.					



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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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	2021-22	2020-21
	Amount (Rs.)	Amount (Rs.)
• Statutory audit under Companies Act	130,000	130,000
• Tax audit under Income-tax Act	42,500	42,500
• Certification Fees	20,000	20,000
• Reimbursement of Expenses	5,000	5,000
• Payment to Previous Auditor	-	30,000
Total	197,500	227,500

Note 27: Corporate Social Responsibility

Company is not required to spend on CSR activity during the FY 2021-22 (FY 2020-21: Rs. NIL) since average net profit of Last 3 Financial year is less than Rs. 5 crores and company is not falling in any of the criteria set out in Sub Section 1 of Section 135 of the Companies Act 2013.

Note 28: Dividend

Company has recommended a Dividend of Rs. 2,00,00,000/- (P.Y. Rs. 1,30,00,000/-) being 10% of the paid up Share Capital, that is, Rs. 1 per share on 2,00,00,000 Equity shares of Rs. 10 each fully paid up outstanding as on 31st March 2022 during the financial year 2021-22.

Note 29: Provision For Doubtful Debts

Trade receivables amounting to Rs. 47,61,034/-, including Rs. 36,27,968/- pertaining to the clients who have been referred to NCLT, are considered as doubtful of recovery. Hence 100% provision has been made on doubtful trade receivables as per the Company Accounting Policy. In respect of other trade receivables, which are considered good and fully recoverable and are outstanding for a period exceeding six months, a provision is made as per the company policy as explained in (j) 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 Premises of Ahmedabad office has been taken on Lease from Indian Chronicle Limited. The lease terms are renewable on such terms and conditions as may be mutually agreed upon between the parties.

Particulars	2021-22	2020-21
	Amount (Rs.)	Amount (Rs.)
(a) Lease payments for the year	4,161,608	3,006,626
Minimum Lease payments:		
(b) Not later than one year	2,921,048	2,025,020
(c) Later than one year but not later than five years	10,147,774	1,590,500
(d) Later than five years	21,305	447,415

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

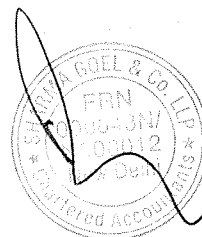
Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under :-

Particulars	2021-22	2020-21
	Amount (Rs.)	Amount (Rs.)
• Contribution to Provident Fund	305,424	241,899
Total	305,424	241,899

(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 31.03.22 are as follows.



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009001187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(a) Net Employees Benefits Expenses Recognized in the Employee Cost

S.No.	Particulars	Gratuity		Leave Encashment	
		2021-22	2020-21	2021-22	2020-21
1	Current Service Cost	306,396	449,026	652,214	2,061,598
2	Interest Cost on Benefit Obligation	198,837	199,523	558,614	425,336
3	Expected Return on Plan Assets	-	-	-	-
4	Actuarial Gain/(Loss)	(208,877)	(658,789)	(2,487,174)	(439,326)
5	Net Benefit Expenses	296,156	(10,240)	(1,271,345)	2,147,608

(b) Net Liability as shown in Balance Sheet Date

S.No.	Particulars	Gratuity		Leave Encashment	
		2021-22	2020-21	2021-22	2020-21
1	Present Value of Defined Benefit Obligation	2,489,129	2,923,925	4,592,326	8,214,906
2	Fair Value of Plan Assets	-	-	-	-
4	Net Liability/(Assets) recognized in the Balance Sheet	(2,489,129)	(2,923,925)	(4,592,326)	(8,214,906)

(b) Net Liability as shown in Balance Sheet Date under "Short Term/Long Term Provisions"

S.No.	Particulars	Gratuity		Leave Encashment	
		2021-22	2020-21	2021-22	2020-21
1	Opening present value of defined benefit plan	2,923,925	2,934,165	8,214,906	6,254,941
	-Current	59,460	54,639	376,749	310,942
	-Non-Current	2,864,565	2,879,526	7,838,157	5,944,002
2	Interest Cost	198,837	199,523	558,614	425,336
3	Current Service Cost	306,206	449,026	652,214	2,061,598
4	Actuarial (Gains)/Losses on Obligation	(208,877)	(658,789)	(2,487,174)	(439,326)
5	Benefits Paid	(730,952)	-	(2,351,235)	(187,646)
6	Closing Defined Benefit Plan	2,489,129	2,923,925	4,592,326	8,214,906
	-Current	487,934	59,360	1,075,067	376,749
	-Non-Current	2,001,195	2,864,565	3,517,259	7,838,157

(iv) Changes in Fair value and Plan Assets

S.No.	Particulars	Gratuity		Leave Encashment	
		2021-22	2020-21	2021-22	2020-21
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	-	-	-	-

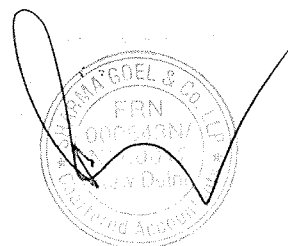
(v) Actuarial Assumptions

S.No.	Particulars	Gratuity		Leave Encashment	
		2021-22	2020-21	2021-22	2020-21
1	Interest and Discount Rate	7.18%	6.10%	7.18%	6.10%
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) Non Executive Director | - Mr. Rajesh Kumar Yadavanshi, Non Executive Director & Nominated by PNB |
| iv) Key Management Personnel | - Mr. Sanjay Bajaj, Managing Director & CEO (upto 05-02-2022) |
| | - Mr. Tauseef Alam, Managing Director & CEO (from 22-02-2022) |
| | - Mr. Sanjeev Khosla, Chief Operating Officer cum CEO |
| | - Mr. Saurabh Malhotra, Chief Operating Officer cum CEO (upto 9-12-2019) |
| | - Ms. Isha Goel, Company Secretary |



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GD1107136

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b) Transactions with related party

Nature of Transaction	2021-22 Amount (Rs.)	2020-21 Amount (Rs.)
Non Executive Director		
Director Sitting Fees to Mr. Rajesh Kumar Yaduvanshi, Non Executive Director	120,000	-
Key Management Personnel		
Remuneration to Managing Director cum CEO (Mr. Sandeep Kumar) (upto 07-07-2021)	14,060,731	16,600,600
Remuneration & Other Perquisites: Benefit to Mr. Sandeep Kumar, Managing Director & CEO (from 27-02-2021)	454,763	-
Remuneration & Other Perquisites: Benefit to Chief Operating Officer cum CFO (Mr. Sandeep Khemari)	2,511,151	2,057,197
Accrual of Remuneration to previous Chief Operating Officer cum CFO (Mr. Sandeep Khemari) (upto 9-12-2019)	173,576	-
Remuneration to Company Secretary (Ms. Ishita)	756,000	630,000
Punjab National Bank, Parent Bank/Holding Company		
(a) Expenditure		
Rent	3,707,110	2,652,206
Interest on Overdraft facility	35,515	4,777
Bank Charges & Locker Rent	29,194	26,413
Director Sitting Fees	-	200,000
(b) Income		
Interest on Fixed Deposits	22,679,654	25,020,415
Merchant Banking Fee	3,292,600	0,063,015
Trusteeship Fee	70,104	50,006
Corporate Advisory Fee	7,000,000	7,000,000
(c) Dividend Paid	1,000,000	5,000,000
PNB Housing Finance Limited, Associate of Parent Company		
(a) Income		
Trusteeship Fee	200,000	200,000

(c) Balance with related parties

Particulars	Recoverable / (Payable) as at 2021-22 Amount (Rs.)	2020-21 Amount (Rs.)
Punjab National Bank, Parent Bank/Holding Company		
(a) Receivable		
Fixed Deposits (incl. accrued interest)	473,060,792	421,622,975
Closing Balances of Current Accounts	141,836	1,865,376
Sundry Debtors	1,313,005	9,241,133
(b) Payables		
Loan Repayable on demand (Overdraft)	150,540,73	-
Rent Payable	1,721,592	48,015
Director Sitting fees payable	-	-
Mr. Rajesh Kumar Yaduvanshi, Director Nominated by PNB		
(a) Director Sitting Fees Payable	54,000	-

(d) Sh. Sandeep Kumar, MD & CEO and Sh. Sandeep Kumar Khemari, COO cum CFO of the company are Key Managerial Personnel and both are on deputation from the Parent Bank - PNB. The remuneration of the Key Managerial 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

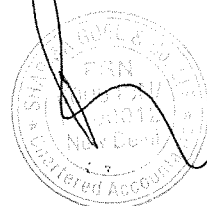
The Company's business activities predominantly relates to providing Merchant Banking and Consultancy Services to Corporate clients including services related to Security Trustee activities. As majority of the income is generated from Consultancy Services, hence segment reporting, as defined in Accounting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

Note 34:

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
(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 discharge 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.



PNB INVESTMENT SERVICES LIMITED

CIN: 1065191DL2009001107146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 to 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	2021-22	2020-21
	Amount (Rs.)	Amount (Rs.)
• Contingent Liabilities	Nil	Nil
• Capital Commitments	Nil	Nil
Total		

Note 38: Additional Regulatory Information

a) Usage of Borrowings

The Company is using the Overdraft facility against FDRs established with PNB as per the sanction letter dated 13.12.2021, which is utilised as a contingency arrangement for meeting liquidity mismatches and other business purposes only.

b) No Loan or Advances in the nature of loans are granted to promoters, directors, KMPs and their related parties either severally or jointly with any other person.

c) Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made under: No Proceedings against the company.

d) The Company has no borrowings from Bank or Financial Institutions on the basis of security of current assets.

e) Where a company is a declared wilful defaulter by any bank or financial institution or other lender: No

f) Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period: No

g) Where the company has not complied with the number of layers prescribed under clause (b7) of section 2 of the act: PNBSL has complied section 2(b7)

h) The company has not any transaction which is undisclosed income (i.e., not recorded in books of accounts) that disclosed as income during the year in the tax assessments under the Income Tax Act 1961

i) The Company has no CSR Liability i.e., not covered under section 135 of The Company Act 2013.

Note 39:

Sr. No.	Name of struck off Company	Nature of transactions with struck-off Company	Balance ^a outstanding	Relationship with the Struck off company, if any, to be disclosed
1	Nil	Investment in Securities	Nil	Nil
2	Nil	Receivables	Nil	Nil
3	Nil	Payable	Nil	Nil
4	Nil	Share held by Struck Off Company	Nil	Nil

Note 40: 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 41:

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

Aryind Kumar Jain
Independent Director
(DIN: 07911109)

Tanvirque Alam
Managing Director & CEO
(DIN: 09309303)

Sanjeev Kumar Khemani
Chief Operating Officer cum CEO

Isha Goel
Company Secretary
(Membership No. 466216)

Place: New Delhi
Dated: 04/04/2022

As per our report of even date

For SHARMA GOEL & CO. LLP
Chartered Accountants
(Firm Regn No. 000644N/N500012)

R. Chit. Mittal
Partner
(Membership No. 524105)