Ravi Ramesh & Associates
Chartered Accountants

26/36, Basement,
East Patel Nagar,
New Delhi-110008

Independent Auditor's Report

To The Members Of

PNB Investment Services Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of **PNB INVESTMENT SERVICES LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profits and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, as applicable. 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 misstatements, whether due to fraud or error.

RAVI RAMESH & ASSOCIATES FRN 004306 N NEW DELHI Chartered Accountants

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statement

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

Report on other Legal and Regulatory Requirements:

1. 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of Act.).
   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:

i) The company does not have any pending litigations which would impact its financial position.

ii) The company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

iii) There are no amounts which are required to be transferred to Investor Education and Protection Fund by the company during the year.

2. As required by the Companies (Auditors Report) Order, 2016 (the Order), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

3. As required under section 143 (5) of the Act, we enclose herewith as per Annexure 'C' our report for the company on the directions issued by the Comptroller & Auditor General of India.

For **RAVI RAMESH & ASSOCIATES**
Chartered Accountants
FRN No. 004306N

Subhash Bansal
Partner
M.No.085785

Place: New Delhi
Dated:12th June,2020

UDIN:- 20085785AAAAAW1840

Annexure "A" To the Independent Auditors' Report

(Referred to in paragraph 1(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

Re: PNB Investment Services Limited (the "Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the company as at March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidences about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

RAVI KAPUR & CO. FRN 004306 N NEW DELHI Chartered Accountants

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on "the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For **RAVI RAMESH & ASSOCIATES**
Chartered Accountants
FRN No. 004306N

RAVI RAMESH & ASSOCIATES
FRN 004306 N
NEW DELHI
Chartered Accountants

Subhash Bansal
Partner
M.No.085785

Place: New Delhi
Dated: 12th June,2020

Annexure "B" To the Independent Auditors' Report

(Referred to in paragraph 2 under Report on Other Legal and Regulatory Requirements section of our report of even date)

Re: PNB Investment Services Limited(the "Company")

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) There is a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company does not own any immovable property in its own name. Hence, paragraph 3(i) (c) of the Order is not applicable to the company.

(ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable.

(iii) During the year the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investment and providing guarantees and securities, as applicable.

(v) According to the information and explanation given to us, the Company has not accepted any deposit from public.

(vi) To the best of our knowledge, the Central Government has not prescribed maintenance of cost record under sub-section (I) of section 148 of the Companies Act, 2013 in respect of services rendered by the company.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, duty of custom, duty of excise, cess and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income tax, Sales-tax, Service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to banks and financial institutions. The company has not taken any loans or borrowings from government and has not issued any debentures.

RAVI RAMESH & ASSOCIATES
FRN 001306 N
NEW DELHI
Chartered Accountants

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). The company has not raised any money during the year by way of term loans from banks and financial institutions.

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Para 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statement 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 and hence, reporting under clause (xiv) of Para 3 the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non- cash transactions with any of its directors or persons connected with him and hence, provisions of clause (xv) of Para 3 of the Order are not applicable to the company.

(xvi) The Company is not required to be registered under section 45 (IA) of the Reserve Bank of India Act, 1934

For **RAVI RAMESH & ASSOCIATES**
Chartered Accountants
FRN No. 004306N

RAVI RAMESH & ASSOCIATES
FRN 004306 N
NEW DELHI
Chartered Accountants

Subhash Bansal
Partner
M.No.085785

Place: New Delhi
Dated: 12th June,2020

Annexure "C" To the Independent Auditors' Report

(Referred to in paragraph 3 under Report on Other Legal and Regulatory Requirements section of our report of even date)

Re: PNB Investment Services Limited (the "Company")

Report on Directions indicating the areas to be examined by the statutory auditors during the course of audit of annual accounts of PNB Investment Services Limited for the year 2019-20 issued by the Comptroller & Auditor General of India under Section 143 (5) of the Companies Act 2013

SN	DIRECTIONS	COMMENTS
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company is maintaining its accounts on Tally Accounting Software. It was explained by the management that no accounting transactions are processed outside the accounting software and considering the size of the Company and nature of its business, we are of the opinion that the system to process the accounting transactions through IT system is sufficient and there are no material financial implications, if any.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender of the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There has been no restructuring of any loan or any case of waiver or any write off of debts, loans or interest etc. made by a lender of the company during the year.
3	Whether funds received / receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	During the year there are no funds received / receivable from Central / State Agencies for any specific scheme by the Company.

For RAVI RAMESH & ASSOCIATES
Chartered Accountants
FRN No. 004306N

FRN 004306 N
NEW DELHI

Subhash Bansal
Partner
M.No.083833

Place: New Delhi
Dated: 12th June,2020

Ravi Ramesh & Associates
Chartered Accountants

26/36, Basement,
East Patel Nagar,
New Delhi-110008

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of **PNB Investment Services Limited** for the year ended 31st March, 2020 in accordance with the directions / sub- directions issued by the C&AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the Directions issued to us.

For **RAVI RAMESH & ASSOCIATES**
Chartered Accountants
FRN No. 004306N

RAVI RAMESH & ASSOCIATES
FRN 004306 N
NEW DELHI
Chartered Accountants

Subhash Bansal
Partner
M.No.085785

Place: New Delhi
Dated: 12th June,2020

Ph. : 011-25759774-75, 32525152, 45152361 Fax : 45789340

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

Statement of Balance Sheet as at 31st March, 2020

Particulars	Note No.	As At 31/03/2020	As At 31/03/2019
		(Amount in Rs.)	(Amount in Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	20,00,00,000	20,00,00,000
(b) Reserves and Surplus	4	22,84,25,809	23,96,35,286
		42,84,25,809	43,96,35,286
(2) Non Current Liabilities			
(a) Long-Term Provisions	5	88,23,528	68,82,239
		88,23,528	68,82,239
(3) Current Liabilities			
(a) Short Term Borrowings	6	29,71,427	
(b) Other Current Liabilities	7	30,28,416	57,41,757
(c) Short-Term Provisions	8	3,65,581	3,17,112
		63,65,423	60,58,869
	Total	**44,36,14,760**	45,25,76,394
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	9	28,79,416	29,45,497
(b) Deferred Tax Asset (Net)	10	48,90,000	45,81,000
(c) Long Term Loan and Advances	11	1,80,550	80,550
(d) Other Non-Current Assets	12	12,09,85,679	37,25,67,584
		12,89,35,645	38,01,74,631
(2) Current Assets			
(a) Trade Receivables	13	76,69,651	1,56,93,420
(b) Cash and Bank Balances	14	30,09,57,489	5,02,47,066
(c) Short-Term Loans and Advances	15	60,51,975	64,61,276
		31,46,79,115	7,24,01,763
	Total	**44,36,14,760**	45,25,76,394

See accompanying notes to the Financial Statements

For and on behalf of Board of Directors

Vikram Sheth
Independent Director
(DIN: 03349632)

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

Sanjeev Kumar Khemani
Chief Operating Officer cum CFO

Isha Goel
Company Secretary
(M. No. 46828)

As per our report of even date
For RAVI RAMESH & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 004306N)

RAVI RAMESH & ASSOCIATES
FRN 004306 N
NEW DELHI
Chartered Accountants

Subhash Bansal
(Partner)
(M.No. 085785)

Place: New Delhi
Date : 12 /06/ 2020

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Note No.	Year Ended 31/03/2020	Year Ended 31/03/2019
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Revenue from Operations	16	4,65,83,903	5,80,06,861
Other Income	17	2,80,79,669	2,90,42,706
Total Revenue		7,46,63,572	8,70,49,567
EXPENSES			
Employee Benefit Expenses	18	4,95,75,515	4,33,47,858
Finance Cost	19	83,867	62,924
Depreciation and Amortization Expenses	20	6,23,148	5,70,067
Other Expenses	21	1,62,16,732	1,88,13,910
Total Expenses		6,64,99,262	6,27,94,758
Profit Before Extraordinary & Exceptional Items		81,64,310	2,42,54,809
Exceptional Items	22	-	1,54,360
Profit Before Tax		81,64,310	2,41,00,449
Tax Expense:			
i) Current Tax	23	28,40,000	84,00,000
ii) Tax relating to earlier years	23	(35,613)	(52,665)
iii) Deferred Tax Liability/ (Asset)		(3,09,000)	(17,01,000)
Profit for the year after tax		56,68,923	1,74,54,114
Earning per Equity Share:	24		
(1) Basic		0.28	0.87
(2) Diluted		0.28	0.87

See accompanying notes to the Financial Statements

For and on behalf of Board of Directors

Vikram Sheth
Independent Director
(DIN: 03349632)

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

Sanjeev Kumar Khemani
Chief Operating Officer cum CFO

Isha Goel
Company Secretary
(M. No. 46828)

As per our report of even date
For RAVI RAMESH & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 004306N)

FRN 004306 N
NEW DELHI

Subhash Bansal
(Partner)
(M.No. 085785)

Place: New Delhi
Date : 12 /06/ 2020

PNB INVESTMENT SERVICES LIMITED
CIN: U65191DL2009GOI187146

Statement of Cash Flow for the year ended 31st March, 2020

		Year Ended March 31, 2020		Year Ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Taxation		81,64,310		2,41,00,449
Adjustments for:				
Interest on Fixed Deposits	(2,80,46,453)		(2,87,82,747)	
Depreciation	6,23,148		5,70,067	
Loss/written off of Fixed Assets	-		1,54,360	
Interest Paid	83,867		62,924	
Provision for Employee Benefits made/(reversed):	-			
- Gratuity	8,98,962		6,33,607	-
- Leave Encashment	20,19,311		16,57,849	
Provision for doubtful debts	10,28,826	(2,33,92,339)	36,25,609	(2,20,78,331)
Operating Profit before Working Capital Changes		(1,52,28,029)		20,22,118
Changes in current assets, Loans and Advances	73,04,243		(1,07,47,083)	
Changes in current Liability/Provisions	(36,41,856)	36,62,387	37,89,933	(69,57,150)
Net Cash flow from operations		(1,15,65,642)		(49,35,033)
Direct Taxes paid (including Interest)	28,04,387	28,04,387	83,47,335	83,47,335
Net Cash Flow used in operating activities		(1,43,70,029)		(1,32,82,368)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	(5,57,067)		(15,24,947)	
Sale of Fixed Assets	-		-	
(Increase)/Decrease in Fixed deposit accounts (having maturity more than 12 months)	25,15,81,905		(34,77,13,689)	
Interest Income	2,80,46,453		2,87,82,747	
Net cash flow from investment activities		27,90,71,291		(32,04,55,888)
C. CASH FLOWS FROM FINANCE ACTIVITIES				
Dividend paid (including Dividend Distribution Tax)	(1,68,78,400)		(2,40,71,530)	
Interest on borrowings from Banks	(83,867)		(62,924)	
Net cash flow from finance activities		(1,69,62,267)		(2,41,34,454)
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)		24,77,38,995		(35,78,72,710)
Cash and Cash equivalents as at beginning of the year		5,02,47,066		40,81,19,775
Cash and Cash equivalents as at end of the year		29,79,86,062		5,02,47,066
Note:		As at March 31, 2020		As at March 31, 2019
1 **Components of Cash and Cash equivalents:**				
Cash on Hand		-		
Balances with Banks in				
- Current Accounts		40,356		2,16,226
- *Bank Overdraft*		(29,71,427)		-
- Fixed Deposit Account having maturity within 3 months		2,95,02,425		-
		2,65,71,355		2,16,226
Add: Other Bank Balances				
Balances with Banks in				
- in Fixed Deposits account with maturity more than 3 months but within 12 months		27,14,14,708		5,00,30,840
		29,79,86,062		5,02,47,066

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

3 Figures in the bracket represents cash outflow from respective activities.

4 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

Vikram Sheth
Independent Director
(DIN: 03349632)

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

Sanjeev Kumar Khemani
Chief Operating Officer cum CFO

Isha Goel
Company Secretary
(M. No 46828)

Place: New Delhi
Date : 12 /06/ 2020

As per our report of even date
For RAVI RAMESH & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 004406N)

FRN 004406 N
NEW DELHI

Subhash Bansal
(Partner)
(M.No 085785)

PNB INVESTMENT SERVICES LIMITED
CIN: U65191DL2009GOI187146
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

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

(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.

FRN 024006 N
NEW DELHI

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(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 difference 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.

(j) ***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 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) **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: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	As At 31/03/2020 (Amount in Rs.)	As At 31/03/2019 (Amount in Rs.)
Note 3 : SHARE CAPITAL		
Authorised Capital		
3,00,00,000 Equity shares of Rs. 10/- each	30,00,00,000	30,00,00,000
Issued, Subscribed and Paid-up Capital		
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 31/03/2020	As At 31/03/2019
1) Punjab National Bank, the Holding Company and its nominees		
- No. of Shares	2,00,00,000	2,00,00,000
- % of Total Shareholding	100%	100%

Details of Shareholders holding more than 5% shares

Name of the shareholder	As At 31/03/2020	As At 31/03/2019
1) Punjab National Bank, the Holding Company and its nominees		
- No. of Shares	2,00,00,000	2,00,00,000
- % of Total Shareholding	100%	100%

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

Particulars	As At 31/03/2020	As At 31/03/2019
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	23,96,35,286	22,21,81,172
Add:		
Profit for the year	56,68,923	1,74,54,114
	24,53,04,209	23,96,35,286
Less:		
Appropriations		
- Dividend Declared of Previous year	1,40,00,000	
- Tax on Dividend	28,78,400	
Closing Balance	22,84,25,809	23,96,35,286

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Chartered Accountants

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	As At 31/03/2020 (Amount in Rs.)	As At 31/03/2019 (Amount in Rs.)
Note 5 : LONG TERM PROVISIONS		
Provision for Employee Benefits:		
- Gratuity		
As per last year	20,70,190	14,54,013
Less: Paid during the year	-	-
	20,70,190	14,54,013
Add: Provision made during the year	8,09,336	6,16,177
Closing Balance	28,79,526	20,70,190
- Leave Encashment		
As per last year	48,12,049	33,36,605
Less: Paid during the year	-	-
	48,12,049	33,36,605
Add: Provision made during the year	11,31,953	14,75,444
Closing Balance	59,44,002	48,12,049
	88,23,528	68,82,239

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 as secured against fixed deposits with maturity more than 12 months (including interest accrued) of Rs. 3,28,5,4378/-(P.Y. Rs.3,09,32,195/-)

Note 7 : OTHER CURRENT LIABILITIES		
Duties and Taxes	11,59,792	22,26,865
Advance Received from Customers	1,11,637	1,95,678
Expenses Payable	17,56,987	32,28,058
Security Deposit	-	91,156
	30,28,416	57,41,757

Note 8 : SHORT TERM PROVISIONS		
Provision for:		
(A) Employee Benefits:		
- Gratuity		
As per last year	48,371	30,941
Less. Paid during the year	83,358	-
	(34,987)	30,941
Add: Provision made during the year	89,626	17,430
Closing Balance	54,639	48,371
- Leave Encashment		
As per last year	2,68,741	1,61,007
Less: Paid during the year	8,45,157	74,671
	(5,76,416)	86,336
Add: Provision made during the year	8,87,358	1,82,405
Closing Balance	3,10,942	2,68,741
(B) Dividend Proposed		
Dividend declared and Payable of last year	-	2,00,00,000
DDT on Dividend of last year	-	40,71,530
	-	2,40,71,530
Less Dividend Paid	-	2,00,00,000
Less .DDT paid	-	40,71,530
Closing Balance	-	
	3,65,581	3,17,112

PNB INVESTMENT SERVICES LIMITED

CIN. U65191DL2009GOI187146

Note 9 : FIXED ASSETS

(Amount in Rs.)

S.No.	Particulars	Gross Block (At Cost)				Depreciation				Net Block	
		As at 01/04/2019	Additions During the Year	Deductions During the Year	As at 31/03/2020	Upto 01/04/2019	For the year	Adjustments During the Year	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
I.	Tangible Assets										
a)	Furniture & Fixtures	22,32,171	-	-	22,32,171	9,04,668	2,16,489	-	11,21,157	11,11,014	13,27,503
b)	Vehicles	14,19,940	-	-	14,19,940	13,48,943	-	-	13,48,943	70,997	70,997
c)	Office Equipments	5,62,534	62,444	-	6,24,978	2,75,317	84,716	-	3,60,033	2,64,945	2,87,217
d)	Computers	24,29,765	4,94,622	-	29,24,387	20,35,245	2,22,523	-	22,57,768	6,66,619	3,94,520
e)	Leasehold Improvement	9,40,362	-	-	9,40,362	75,101	99,420	-	1,74,521	7,65,841	8,65,261
	Total	75,84,771	5,57,066	-	81,41,837	46,39,274	6,23,148	-	52,62,422	28,79,416	29,45,497
	Previous Year	62,60,083	15,24,947	2,00,259	75,84,771	41,15,106	5,70,067	45,899	46,39,274	29,45,497	21,44,977

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PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	As At 31/03/2020 (Amount in Rs.)	As At 31/03/2019 (Amount in Rs.)
Note 10 : DEFERRED TAX ASSETS (net)		
Deferred Tax Asset/(Liability):		
- Provision for Employee Benefit	23,12,500	20,03,000
- Depreciation and Amortisation of Fixed Assets	1,33,500	1,61,000
- Provision for doubtful debts and advances	24,44,000	24,17,000
	48,90,000	45,81,000

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

Note 12 : OTHER NON-CURRENT ASSETS		
Balance with Banks:		
- in Fixed Deposits account with maturity more than 12 months (including interest accrued)	8,81,31,301	34,16,35,389
- Fixed Deposit pledged as Security against the bank OD facility with maturity more than 12 months (including interest accrued)	3,28,54,378	3,09,32,195
	12,09,85,679	37,25,67,584

Note 13 : TRADE RECEIVABLES		
(Unsecured)		
Receivables outstanding for a period exceeding Six Months from the date they are due for payment		
-Considered good	72,19,978	76,63,222
-Considered doubtful	76,03,581	68,09,987
	1,48,23,559	1,44,73,209
Other trade receivables		
-Considered good	25,61,570	99,06,862
	1,73,85,129	2,43,80,071
Less: Provision against trade receivables	97,15,478	86,86,650
	76,69,651	1,56,93,420

PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	As At 31/03/2020 (Amount in Rs.)	As At 31/03/2019 (Amount in Rs.)
Note 14 : CASH AND BANK BALANCES		
a) Cash and Cash Equivalents		
Balance with Banks-		
- in Current Accounts	40,356	2,16,226
- in Fixed Deposits account with maturity less than 3 months (including interest accrued)	2,95,02,425	-
- Fixed Deposit pledged as Security against the bank OD facility with maturity less than 3 months (including interest accrued)	-	-
	2,95,42,781	2,16,226
b) Other Bank Balances		
Balance with Banks:		
- in Fixed Deposits account with maturity more than 3 months but within 12 months (including interest accrued)	27,14,14,708	5,00,30,840
- Fixed Deposit pledged as Security against the bank OD facility with maturity more than 3 months but within 12 months (including interest accrued)	-	
	27,14,14,708	5,00,30,840
	30,09,57,489	5,02,47,066

Note 15 : SHORT TERM LOANS AND ADVANCES		
A (Unsecured, considered good)		
- Input Tax Credit of GST	5,40,409	
- Imprest	5,962	3,707
-Prepaid Expenses	8,23,774	24,54,403
-Income Tax Refund (earlier year)	15,31,333	27,73,365
-Income Tax Refund (current year)	27,70,573	6,75,966
-Amount recoverable in cash or in kind or for the value to be received	3,79,925	5,53,835
	60,51,975	64,61,276
	60,51,975	64,61,276

PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Year Ended 31/03/2020	Year Ended 31/03/2019
	(Amount in Rs.)	(Amount in Rs.)
Note 16 : REVENUE FROM OPERATIONS		
Sale of services		
Merchant Banking Fee	-	79,42,125
Corporate Advisory Fee	2,76,65,000	2,05,29,500
Trusteeship fee	1,89,18,903	2,95,35,236
	4,65,83,903	**5,80,06,861**

Note 17 : OTHER INCOME		
Interest on Fixed Deposits	2,80,46,453	2,87,82,747
Other Misc. Income	33,216	2,59,959
	2,80,79,669	**2,90,42,706**

Note 18 : EMPLOYEE BENEFIT EXPENSES		
Salary, Allowances and Other Benefits	4,89,26,911	4,24,95,162
Contribution to Statutory & Other funds	2,39,333	2,76,414
Staff Welfare	4,09,271	5,76,281
	4,95,75,515	**4,33,47,858**

Note 19 : FINANCE COSTS		
Interest paid on borrowings	83,867	62,924
	83,867	**62,924**

Note 20 : DEPRECIATION AND AMORTIZATION		
Depreciation on tangible assets	6,23,148	5,70,067
	6,23,148	**5,70,067**

Note 21 : OTHER EXPENSES		
Rent	29,91,372	29,32,302
Water & Electricity Expenses	5,00,452	5,68,199
Printing and Stationery	1,97,088	2,05,818
Postage, Telephone and Internet	3,05,230	3,34,807
Legal and Professional	24,79,319	55,83,863
Auditors Remuneration	1,92,500	1,75,000
Payment to Secretarial Auditor	1,00,000	1,00,000
Conveyance, Tour and Travel	15,04,970	15,69,790
Repairs and Maintenance-others	2,45,226	2,02,480
Insurance	13,722	31,069
Fees and Subscription	19,92,805	14,21,504
Directors Sitting Fees	6,80,000	5,80,000
Board Meeting & AGM Expenses	2,07,798	3,69,186
Miscellaneous Expenses	9,75,499	9,89,873
Bad Debts Written Off	27,58,536	
Provision for doubtful debts	10,28,826	36,25,609
Business Promotion expenses	43,389	1,24,409
	1,62,16,732	**1,88,13,910**

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Year Ended 31/03/2020	Year Ended 31/03/2019
	(Amount in Rs.)	(Amount in Rs.)
Note 22 : Extraordinary and Exceptional Items		
Loss/Written off Assets	-	1,54,360
	-	1,54,360

Note 23 : CURRENT TAX		
Provision for Income Tax for Current Year	28,40,000	84,00,000
Taxes paid/ (reversed) for Earlier years	(35613)	(52665)
	28,04,387	83,47,335

Note 24 : Earnings Per Share (EPS)

PARTICULARS	Year Ended 31/03/2020	Year Ended 31/03/2019
Net Profit as per Statement of Profit and Loss used as numerator for calculating EPS	56,68,923	1,74,54,114
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)	0.28	0.87

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NEW DELHI

PNB INVESTMENT SERVICES LIMITED
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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	2019-20 Amount (Rs.)	2018-19 Amount (Rs.)
Statutory audit under Companies Act	1,25,000.00	1,10,000.00
- Tax audit under Income -tax Act	42,500.00	40,000.00
- Certification Fees	20,000.00	20,000.00
- Reimbursement of Expenses	5,000.00	5,000.00
- Payment to Previous Auditor	-	-
Total	1,92,500.00	1,75,000.00

Note 27: Corporate Social Responsibility

Company is not required to spend on CSR activity during the FY 2019-20 (FY 2018-19 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. 50,00,000/- (P.Y. Rs. 1,40,00,000/-) being 2.5 % of the paid up Share Capital, that is, Re 0.25 per share on 2,00,00,000 Equity shares of Rs. 10 each fully paid up outstanding as on 31st March 2020 during the financial year 2019-20

Note 29: Balance Confirmation

Some of the Parties balances are subject to confirmation and reconciliation. The company has sent balance confirmation request to outstanding trade receivables. However, in view of nationwide lockdown restrictions prevailing in the country on account of COVID-19 pandemic, certain clients have shown inability to confirm balances in present work from home scenario, which will be confirmed post resumption of operations by them upon easing of lockdown guidelines. In the opinion of management, however, receivables as disclosed in the financial statements and shown as considered good are fully recoverable.

Note 30: Provision For Doubt Doubtful Debts

Trade receivables amounting to Rs. 76,03,581/- 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 31: LEASES

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

Particulars	2019-20 Amount (Rs.)	2018-19 Amount (Rs.)
(a) Lease payments for the year	29,59,140.00	29,32,302.00
Minimum Lease payments:		
(b) Not later than one year	13,39,140.00	14,74,140.00
(c) Later than one year but not later than five years	21,28,103.53	27,02,548.50
(d) Later than five years	34,06,554.98	12,96,855.00

Note 32: 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	2019-20 Amount (Rs.)	2018-19 Amount (Rs.)
- Contribution to Provident Fund	2,34,833	2,71,214
Total	2,34,833	2,71,214

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(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 31.03.20 are as follows

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

S.No.	Particulars	Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
1	Current Service Cost	7,10,832	5,36,537	17,97,504	17,23,010
2	Interest Cost on Benefit Obligation	1,64,824	1,18,351	3,95,285	2,78,760
3	Expected Return on Plan Assets	Nil	Nil	Nil	Nil
4	Actuarial Gain/(Loss)	23,306	(21,281)	(1,73,478)	(3,43,921)
5	Net Benefit Expenses	8,98,962	6,33,607	20,19,311	16,57,849

(ii) Net Liability as shown in Balance Sheet Date

S.No	Particulars	Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
1	Present Value of Defined Benefit Obligation	29,34,165	21,18,561	62,54,944	50,80,790
2	Fair Value of Plan Assets	Nil	Nil	Nil	Nil
3	Net Liability/(Assets) recognized in the Balance Sheet	(29,34,165)	(14,84,954)	(62,54,944)	(50,80,790)

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

S.No.	Particulars	Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
1	Opening present value of defined benefit plan	21,18,561	14,84,954	50,80,790	34,97,612
	-Current	48,371	30,941	2,68,741	1,61,007
	-Non-Current	20,70,190	14,54,013	48,12,049	33,36,605
2	Interest Cost	1,64,824	1,18,351	3,95,285	2,78,760
3	Current Service Cost	7,10,832	5,36,537	17,97,504	17,23,010
4	Actuarial (Gains)/Losses on Obligation	23,306	(21,281)	(1,73,478)	(3,43,921)
5	Benefits Paid	(83,358)	-	(8,45,157)	(74,671)
6	Closing 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

(iv) Changes in Fair value and Plan Assets

S.No.	Particulars	Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
1	Opening fair value of Plan Assets	Nil	Nil	Nil	Nil
2	Expected Return	Nil	Nil	Nil	Nil
3	Contribution made by Employer	Nil	Nil	Nil	Nil
4	Actuarial (Gains)/Losses on Obligation	Nil	Nil	Nil	Nil
5	Benefits Paid	Nil	Nil	Nil	Nil
6	Closing fair value of Plan Assets	Nil	Nil	Nil	Nil

(v) Actuarial Assumptions

S.No.	Particulars	Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
1	Interest and Discount Rate	6.80	7.78	6.80	7.69
2	Estimated Rate of Return on Plan Assets	Nil	Nil	Nil	Nil
3	Attrition Rate	Nil	Nil	Nil	Nil
4	Retirement Age	60	60	60	60
5	Salary Cost Increase Rate	6	6	6	6

Note 33: Related party disclosure

(a) Related parties with whom the Company had transactions

i) Parent Bank/Holding Company — Punjab National Bank

ii) Key Management Personnel — Mr. Sanjay Bajaj, Managing Director & CEO
Mr. Saurabh Malhotra, Chief Operating Officer cum CFO (upto 9-12-2019)
Mr. Sanjeev Khemani, Chief Operating Officer cum CFO (From 6-12-2019)
Ms. Isha Goel, Company Secretary

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(b) Transactions with related party

Nature of Transaction	2019-20 Amount (Rs.)	2018-19 Amount (Rs.)
Key Management Personnel*		
- Remuneration to Managing Director cum CEO (Mr. Sanjay Bajaj)	1,66,00,000	1,03,97,309
Remuneration to Chief Operating Officer cum CFO (Mr. Sanjeev Khemani) (From 06-12-2019)	6,39,340	-
- Remuneration to Chief Operating Officer cum CFO (Mr. Saurabh Malhotra) (upto 9-12-2019)	10,53,684	12,50,802
- Remuneration to Company Secretary (Ms. Isha Goel)	6,30,000	6,21,496
Punjab National Bank, Parent Bank/Holding Company		
(a) Expenditure		
- Rent	26,36,952	26,36,952
- Interest on Overdraft facility	83,867	62,924
Bank Charges	23,596	22,582
- Director Sitting Fees	3,25,000	3,05,000
(b) Income		
- Interest on Fixed Deposits	2,80,46,453	2,87,82,747
- Merchant Banking Fee	-	79,42,125
- Trusteeship Fee (PNB Brady House Branch)	2,00,000	5,00,000
- Corporate Advisory fee	22,50,000	
PNB Housing Finance Limited, Associate of Parent Company		
(a) Income		
- Trusteeship Fee	2,00,000	2,57,534

(c) Balance with related parties

Particulars	Recoverable / (Payable) as at 2019-20 Amount (Rs.)	2018-19 Amount (Rs.)
Punjab National Bank, Parent Bank/Holding Company		
(a) Receivable		
- Fixed Deposits	39,07,23,838	40,47,02,155
- Accrued Interest on FDR	3,11,78,974	1,78,96,268
- Closing Balances of Current Accounts	40,356	2,16,226
- Sundry Debtors	18,45,095	48,40,001
(b) Payables		
- Loan Repayable on demand (Overdraft)	29,71,427	-
- Rent Payable	8,44,293	16,23,779
- Director Sitting fees payable	63,000	-
PNB Housing Finance Limited, Associate of Parent Company		
(a) Receivable		
- Sundry Debtors	-	3,03,890

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

Note 34: 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 35:

As per the information available with the Company no amount is due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2020.

Note 36: 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.

FRN 004305 N
NEW DELHI

PNB INVESTMENT SERVICES LIMITED
CIN: U65191DL2009GOI187146
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 37: 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 38: Contingent Liabilities & Capital Commitments

Particulars	2019-20 Amount (Rs.)	2018-19 Amount (Rs.)
Contingent Liabilities	Nil	Nil
Capital Commitments	Nil	Nil
Total		

Note 39:

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

As per our attached report of even date

Vikram Sheth
Independent Director
(DIN: 03349632)

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

For Ravi Ramesh & Associates
Chartered Accountants
(Firm Regn. No. 004306N)

Sanjeev Kumar Khemani
Chief Operating Officer cum CFO

Isha Goel
Company Secretary
M. No. 46828

Subhash Bansal
Partner
(M.No. 085785)

Place . New Delhi
Date 12/06/ 2020