

AGARWAL ANIL & CO.

CHARTERED ACCOUNTANTS

L-2, SOUTH EXTN. II, NEW DELHI-110049
Tele : 011-26259607, E-mail : aac.anil@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of PNB Cards & Services Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of PNB Cards & Services Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, and statement of cash flows for the period from 16.03.2021 to 31.03.2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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, 2022, its profit, and its cash flows for the period from 16.03.2021 to 31.03.2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 Standalone Financial Statements

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

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.



Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

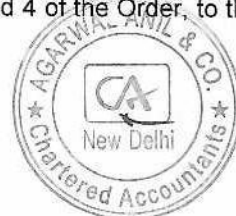
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a) 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
- b) 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.
- c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- f) 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 litigation which would impact on its financial position as at March 31, 2022.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



For Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

Dr. Anil Agrawal
Partner

Membership No: 082103
UDIN: 22082103 AHWTYA 9704

Place: New Delhi
Date: 26.04.2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF PNB CARDS & 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 statement of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1. Fixed Asset:

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c. The Company does not hold any immovable property. Accordingly, the provisions of Clause 3(i) (C) of the order are not applicable.

2. Inventory:

The Company does not have any inventory. Accordingly, the provision of clause 3(ii) of the order are not applicable.

3. Loans, Guarantee and Advances given:

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.

4. Loans, Guarantee and Advances to Director of Company:

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 transactions covered under provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

5. Deposits:

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. Maintenance of costing records:

As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

7. Deposit of statutory liabilities:

- a. According to the records of the company, undisputed statutory dues including Income-tax, Goods and Service tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March 2022 for a period of more than six months from the date they became payable.



- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

8. Default in repayment of borrowings:

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 borrowed any amount from any financial institution, bank, Government or any debenture holders.

9. Funds raised and utilisation:

Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

10. Fraud and whistle-blower complaints:

According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. Nidhi Company:

The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

13. Related Party Transactions:

According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

14. Internal Audit:

The company does not required to have an internal audit system commensurate with the size and nature of its business.

15. Preferential allotment:

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

16. Non Cash Transactions:

The company has not entered into non-cash transactions with directors or persons connected with him.



17. Cash Losses:

The company has been incorporated on 16.03.2021 and it is the first financial year of the Company. As such, it has not incurred cash losses in the financial year and in the immediately preceding financial year

18. Resignation of Statutory Auditors:

There has been no instance of any resignation of the statutory auditors occurred during the year

19. Material uncertainty on meeting liabilities:

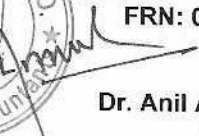
No material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date

20. Transfer to fund specified under Schedule VII of Companies Act, 2013

In respect of other than ongoing projects, the company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

21. Registration under RBI act:

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N**

**Dr. Anil Agrawal
Partner
Membership No: 082103
UDIN: 22082103 AHW TYA9704**

Place: New Delhi
Date: 26.04.2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PNB CARDS & SERVICES LIMITED

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

We have audited the internal financial controls over financial reporting of PNB Cards & Services Limited ("the Company") as of March 31, 2022 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 controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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



made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

Dr. Anil Agrawal
Partner

Membership No: 082103

UDIN: 22082103 AHWTYA9704

Place: New Delhi
Date: 26.04.2022

PNB Cards & Services Limited

Notes forming part of Financial Statements for the year ended March 31, 2022.

Note 1: General Information

A. Background

PNB Cards & Services Limited ("the Company") having CIN No. U74999DL2021PLC378579, was incorporated on 16th March, 2021, the first Board Meeting of the company was held on 05th April, 2021. Accordingly, the first financial year of the company is from 16th March, 2021 to 31st March, 2022 and subsequent financial year shall commence from 01st April and close on March 31st of next year. The company is carrying on business of support services related to Credit Card business of Punjab National Bank.

B. Going Concern Assumption

The financial statement of the company is prepared on the assumption of going concern and will continue in operation for foreseeable future.

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 the 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 the Companies Act, 2013 to the extent applicable. All amounts are stated in Indian Rupees.

B. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Future results could differ from these estimates.

Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

Any revision to the accounting estimates is recognized prospectively in the current and future periods unless otherwise stated.

C. Property, Plant & Equipment

- C.1 Property, Plant & Equipment are stated at historical cost less accumulated depreciation/amortization, wherever applicable.
- C.2 Software is capitalized and clubbed under Intangible assets.
- C.3 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset till the time of capitalization. Subsequent expenditure/s incurred on the assets are capitalized only when it increases the future benefits from such assets or their functioning capability.

D. Depreciation

- D.1 Depreciation on assets is provided on straight-line method based on useful life of the asset on pro rata basis.
- D.2 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 charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.



F. Revenue Recognition

- F.1 Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exist a reasonable certainty of its recovery.
- F.2 Interest income on Short Term Deposit/Fixed Deposits with the Bank is recognized on accrual basis.

G. Leases

Leases where the lessor effectively retains substantially all the risk 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 & Loss.

H. Taxes on Income

Tax expense comprise both current and deferred tax. The current tax and deferred tax are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably/virtually certain.

I. Provision, Contingent Liability and Contingent Assets

- I.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- I.2 Contingent Assets are not recognised in the financial statements.

J. 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.

K. Prior Period Items

Income and Expense relating to prior period are disclosed separately in the Financial Statements subject to materiality.



PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No 4, Dwarka Sector-10, New Delhi-110075

Corp. Office: 106-109, First Floor, Ansal Tower, 38, Nehru Place, New Delhi-110019

Statement of Audited Balance Sheet as at 31st March, 2022

Amount in ₹

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I EQUITY & LIABILITIES			
1) Shareholder's Fund			
a) Share Capital	3	15,00,00,000.00	
b) Reserve & Surplus	4	13,29,442.72	
		15,13,29,442.72	
2) Non Current Liabilities			
a) Long Term Provisions	5	-	
3) Current Liabilities			
a) Short Term Borrowings	6	-	
b) Trade Payables	7	2,09,873.38	
b) Other Current Liabilities	8	49,43,255.77	
c) Short Term Provision	9	-	
		51,53,129.15	
Total		15,64,82,571.87	
II ASSETS			
1) Non Current Assets			
a) Fixed Assets			
Tangible Assets	10	12,77,969.43	
b) Deferred Tax Asset (Net)	11	4,94,714.00	
c) Long Term Loans & Advances	12	-	
d) Other Non-Current Assets	13	2,19,000.00	
		19,91,683.43	
2) Current Assets			
a) Trade Receivables	14	-	
b) Cash & Bank Balance	15	15,29,68,146.42	
c) Short Term Loans & Advances	16	15,22,742.02	
		15,44,90,888.44	
Total		15,64,82,571.87	

See Accompanying notes to the Financial Statements

Sachin Ludhiyani
Chief Financial OfficerEkta Pasricha
Company SecretaryAditya Nath Das
Managing Director & CEOSwarup Kumar Saha
Director

As per our report of even date.

For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N
Dr. Anil Agrawal
Partner

Membership No: 082103

Place: New Delhi

Date: 26.04.2022

UDIN:



PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075

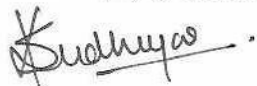
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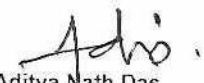
Statement of Profit & Loss for the year ended 31st March, 2022

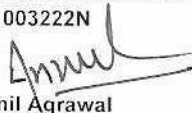
Amount in ₹

Particulars	Note No.	Period ended 31.03.2022	Period ended 31.03.2021
INCOME			
Revenue from Operations	17	2,60,68,175.00	-
Other Income	18	62,04,399.00	-
Total Revenue		3,22,72,574.00	-
EXPENSES			
Employee Benefit Expenses	19	2,11,53,276.42	-
Finance Cost	20	-	-
Depreciation & Ammortization Expenses	21	4,70,245.50	-
Other Expenses	22	88,56,675.36	-
Total Expenses		3,04,80,197.28	-
Profit Before Extraordinary & Exceptional items			
Exceptional Items	23	-	-
Profit Before Tax		17,92,376.72	-
Tax Expense	24		
i) Current Tax		9,57,648.00	-
ii) Tax adjustment of earlier years		-	-
iii) Deferred Tax Liability/(Asset)		-4,94,714.00	-
Profit for the period after Tax		13,29,442.72	-
Earning per Equity Share:	25		
1) Basic		0.09	-
2) Diluted		0.09	-
Face value per equity Share (in Rs.)		10.00	-

See Accompanying notes to the Financial Statements


Sachin Ludhiyani
Chief Financial Officer

Ekta Pasricha
Company Secretary

Aditya Nath Das
Managing Director & CEO

Swarup Kumar Saha
DirectorFor M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

Dr. Anil Agrawal
Partner

Membership No: 082103



Place New Delhi

Date 26.04.2022

UDIN: 22082103AHWTYA5704

PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No 4, Dwarka Sector-10, New Delhi-110075
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Statement of Cash Flows for the year ended 31st March, 2022

(Amount in ₹)

Particulars	Year Ended	
	Mar 31, 2022	Mar 31, 2021
A. Cash Flow from Operating Activities		
Net Profit/(Loss) after Tax	13,29,443	-
Provision for Tax	4,62,934	-
(I) Net Profit/(Loss) before Tax	17,92,377	-
(II) Adjustments for		
Interest on Fixed Deposits	(60,36,676)	-
Depreciation	4,70,246	-
Provision for expenses	2,64,100	-
Sub Total	(53,02,330)	-
Operating Profit/(Loss) before Working Capital Changes (I+II)	(35,09,954)	-
(III) Adjustment for net change in Working Capital		
Decrease/(Increase) in Current Asset	(13,35,802)	-
Increase/(Decrease) in Current Liability	48,89,029	-
Decrease/(Increase) in Non Current Assets	(2,19,000)	-
	33,34,228	-
Cash generated from Operations (I+II+III)	(1,75,726)	-
Direct Taxes paid (including Interest)	(11,44,589)	-
A Net Cash Flow/ (used in) operating activities (A)	(13,20,315)	-
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(17,48,215)	-
Sale of Fixed Assets	-	-
Interest Received on FDR	60,36,676	-
Net cash flow / (used in) investing activities (B)	42,88,461	-
C. Cash Flow from Financing Activities		
Issue of Equity Shares	15,00,00,000	-
Net cash flow/(used in) financing activities (C)	15,00,00,000	-
Net change in Cash and Cash equivalents (A+B+C)	15,29,68,146	-
Cash and Cash equivalents as at beginning of the year	-	-
Cash and Cash equivalents as at end of the year	15,29,68,146	-
Note		
1 Components of Cash and Cash equivalents:		
Cash on Hand		
Balances with Banks in		
In Current Accounts	2,97,23,728	
In Suvidha Card (Imprest)	40,281	
In Fixed deposit account with maturity less than 3 month (including interest accrued)	23,20,105	
Other Bank Balances		
Balance with Banks		
In Fixed deposit account with maturity more than 3 month but within 12 months (including interest accrued)	12,08,84,032	
	15,29,68,146	
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		

Sachin Ludhiyani

Chief Financial Officer

Aditya Nath Das
Managing Director & CEO

For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

Dr. Anil Agarwal
Partner
Membership No: 082103
Place: New Delhi
Date: 26.04.2022



Ekta Pasricha

Company Secretary

Swarup Kumar Saha
Director



PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075

Corp. Office: 106-109, First Floor, Ansal Tower, 38, Nehru Place, New Delhi-110019

Notes forming Part of Financial Statements for the year ended March 31, 2022

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 3: Share Capital		
<u>Authorized Capital</u>		
2,50,00,000 Equity shares of Rs.10/- each	25,00,00,000.00	-
<u>Issued, subscribed and Paid up</u>		
1,50,00,000 Equity shares of Rs.10/- each fully paid up	15,00,00,000.00	-
	15,00,00,000.00	-

Shares held by Holding/Ultimate Holding Company and/or their Subsidiaries/Associates

Name of Shareholder	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
1) Punjab National Bank, the holding Company and its nominees		
- No. of Shares	1,50,00,000	0
- % of total shareholdings	100%	0

Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
1) Punjab National Bank, the holding Company and its nominees		
- No. of Shares	1,50,00,000	0
- % of total shareholdings	100%	0

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

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
At the beginning of the year	-	-
Add: Issued during the year	1,50,00,000	-
Outstanding at the end of the year	1,50,00,000	-

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.

Disclosure of Shareholding of promoters

Shares held by promoters at the end of the year				% change during the year
S.No.	Promoter Name	No. of Shares	% of total Shares	
1	Punjab National Bank	1,50,00,000	100%	N.A.



Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 4: Reserve & Surplus		
Surplus in statement of Profit & Loss		
Opening Balance	-	
Add: Profit for the period	13,29,442.72	
	13,29,442.72	
Less:		
Appropriations	-	
- Dividend declared of previous year	-	
- Tax on Dividend	-	
Closing Balance	13,29,442.72	

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 5: Long Term Provisions	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 6: Short Term Borrowings	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 7: Trade Payables		
Trade Payables	-	-
Others	2,09,873.38	
	2,09,873.38	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 8: Other Current Liabilities		
Duties & Taxes	46,21,993.79	-
Employees Additional Rent	5,000.00	
Union Contribution Payable (Employees)	-	
Expenses Payables	2,64,100.00	-
Retention Money	52,161.98	
Employees Statutory Dues Payable	-	
	49,43,255.77	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 9: Short Term Provisions		
Provision for Income Tax	-	-
	-	-



Note No. 10 - PLANT PROPERTY AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT AS ON 31.03.2022

S.No.	Particular	GROSS BLOCK					DEPRECIATION					NET BLOCK							
		As on 01.04.2021	Additions During the year	Acquired through business combinations	Sale / Disposal \$	Revaluations/ (Impairments)	Sale/Adjustment	Total as on 31.03.2022	Upto 31.03.2021	Depreciation charge for the year	Adjustments for prior period	Acquired through business combinations	Sale / Disposal \$	Revaluati ons/ (impairm ents)	Total As on 31.03.2022	Sales Value	(Loss)/Pr ofit on sale	As on 31.03.2022	As on 31.03.2021
I.	Tangible Assets																		
a)	Computers, Laptop & Printers	-	11,52,052.82	-	-	-	-	11,52,052.82	-	4,50,499.86	-	-	-	-	4,50,499.86	-	-	7,01,552.96	-
b)	Softwares	-	18,000.00	-	-	-	-	18,000.00	-	2,529.86	-	-	-	-	2,529.86	-	-	15,470.14	-
c)	Office Equipments	-	25,598.72	-	-	-	-	25,598.72	-	4,272.17	-	-	-	-	4,272.17	-	-	21,326.55	-
d)	Leasehold Improvements	-	5,52,563.39	-	-	-	-	5,52,563.39	-	12,943.61	-	-	-	-	12,943.61	-	-	5,39,619.78	-
		-	17,48,214.93	-	-	-	-	17,48,214.93	-	4,70,245.50	-	-	-	-	4,70,245.50	-	-	12,77,969.43	-



Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 11: Deferred Tax Asset (Net)		
Deferred Tax Asset/(Liability)		
- Pre Incorporation Expense	4,94,714.00	-
- Carried Forward Losses	-	-
	4,94,714.00	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 12: Long Term Loans & Advances		
	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 13: Other Non Current Assets		
ii) Security Deposit for Rental Accomodation of Employees Unsecured, considered good	2,19,000.00	-
	2,19,000.00	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 14: Trade Receivables		
i) Outstanding for a period exceeding 6 months from the date they were due. Unsecured, considered good	-	-
ii) Other Trade Receivables Unsecured, considered good	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 15: Cash & Bank Balances		
a) Cash & Cash equivalents		
Balance with Banks		
In Current Accounts	2,97,23,728.42	-
In Suvidha Card (Imprest Account)	40,281.00	-
In Fixed deposit account with maturity less than 3 months (including interest accrued)	23,20,105.00	-
b) Other Bank Balances		
Balance with Banks		
In Fixed deposit account with maturity more than 3 months but within 12 months (including interest accrued)	12,08,84,032.00	-
	15,29,68,146.42	-



Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 16: Short Term Loans & Advances		
A Unsecured considered good		
Balances with Statutory / Government Authorities:		
Input Tax Credit of GST	13,30,214.52	-
Income Tax Refund Current year	1,86,940.50	-
Amount recoverable from Employees	-	-
Prepaid Expenses	5,587.00	-
Sundry Receivables	-	-
	15,22,742.02	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 17: Revenue from Operations		
	2,60,68,175.00	-
	2,60,68,175.00	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 18: Other Income		
Interest on Fixed Deposit	60,36,676.00	-
Interest on Sweep Deposit	1,67,723.00	-
	62,04,399.00	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 19: Employee Benefit Expenses		
Salary Allowances and other Benefits	1,76,15,153.44	-
Contribution to Statutory and other funds	14,35,122.53	-
Staff Welfare	-	-
Lease Rent for Residential Accomodation	21,03,000.45	-
	2,11,53,276.42	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 20: Finance Cost		
	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 21: Depreciation & Ammortization		
Depreciation and Ammortization	4,70,245.50	-
	4,70,245.50	-



Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 22: Other Expenses		
Auditors Remuneration	2,25,000.00	-
Bank Charges	400.00	-
Brokerage	99,000.00	-
Bulk SMS Charges	9,924.73	-
Business Promotion Expenses	20,777.79	-
Conveyance, Tour & Travel	18,48,530.73	-
Cleansing Expense	51,800.00	-
Domain Registration Charges	28,134.58	-
Digital Onboarding Application Charges	9,72,200.00	-
Entertainment Expenses	1,55,453.53	-
Incorporation Expenses	24,37,661.00	-
Legal & Professional Expense	67,268.26	-
Miscellaneous Expense	147.98	-
Maintenance of Leasehold Premises	1,89,411.00	-
Newspaper & Periodicals	59,400.00	-
Office Expenses	52,586.77	-
Postage, Telephone & Internet	1,51,537.03	-
Printing & Stationary	37,684.16	-
Rent	6,91,040.00	-
Repair & Maintenance	2,390.00	-
Retainership Fee-CS	3,36,000.00	-
Recruitment Expenses	51,840.00	-
ROC Fee	12,600.00	-
Subscription of Software/Digital Certificates	7,62,600.00	-
Sitting Fee (Director)	2,40,000.00	-
Trade Mark Fee	54,000.00	-
Travelling Expenses (Directors)	16,303.36	-
Travelling Expenses	2,23,720.00	-
Water & Electricity Expenses	59,264.44	-
	88,56,675.36	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 23: Extraordinary and Exceptional items	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 24: Current Tax		
Provision for Income Tax for Current Year	9,57,648.00	-
Taxes paid/(reversed) for earlier years		-
	9,57,648.00	0



Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 25: Earnings per Share (EPS)		
Net Profit/(Loss) as per Profit & Loss statement	13,29,442.72	
Number of equity shares at the beginning of the year		
Number of equity shares issued during the period	1,50,00,000	
Total number of equity shares outstanding at the end of the period	1,50,00,000	
Weighted average number of equity shares outstanding during the period	1,47,12,329	
Nominal Value of Shares	10.00	
Basic & Diluted Earning per Share	0.09	

Sachin Ludhiyani

Sachin Ludhiyani
Chief Financial Officer

Aditya Nath Das

Aditya Nath Das
Managing Director & CEO

Ekta Pasricha

Ekta Pasricha
Company Secretary

Swarup Kumar Saha

Swarup Kumar Saha
Director

For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

Anil Agrawal

Dr. Anil Agrawal
Partner

Membership No: 082103

Place: New Delhi

Date: 26.04.2022



PNB Cards & Services Limited

Notes forming part of financial statements for the year ended March 31, 2022

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	1,25,000.00	-
Tax Audit under Income Tax Act	40,000.00	-
Quarterly Limited Review of Financial Statement	60,000.00	-
Total	2,25,000.00	-

Note 27: Dividend

The Company has neither declared nor paid any dividend during the period.

Note 28: Corporate Social Responsibility

Company is not required to spend CSR activity during the FY 2021-22 as the company does not fulfill the condition/required under the definition of CSR u/s. 135 of Companies Act, 2013.

Note 29: Related Party Disclosure

Disclosure as required by Para 20 of Accounting Standard 18 "Related Parties" of the Companies (Accounting Standard) Rules, 2006.

a. Related Parties and description of relationship with whom the Company had transactions

Name of Related Party	Relationship
Punjab National Bank	Entity/Personnel who can exercise significant influence (Holding Company)
Shri Aditya Nath Das	Key Management Personnel (MD & CEO)
Shri Vijay Jasuja	Key Management Personnel (Expert Director)
Shri Sachin Ludhiyani	Key Management Personnel (CFO)
Smt Saraswati Devi	Relative of Key Management Personnel (MD & CEO)

b. Transactions with related parties:

Nature of Transaction	2021-22	2020-21
	Amount (Rs.)	Amount (Rs.)
Key Managerial Personnel		-
- Remuneration to MD & CEO (Shri Aditya Nath Das)	24,55,489.11	-
- Remuneration to Chief Financial Officer (Shri Sachin Ludhiyani)	17,09,523.26	
- Sitting Fees to Director (Shri Vijay Jasuja)	2,40,000.00	
- Parental Lease payment to relative of KMP (Smt. Saraswati Devi)	2,75,000.00	
Punjab National Bank, Parent Bank/Holding Company		
(a) Expenditure		
- Reimbursement of expenses paid	24,14,596.00	
- Bank Charges	400.00	
- Office Rent	6,91,040.00	



(b) Income		
- Customer Acquisition- Business Support Service	2,60,68,175.00	
- Reimbursement of expenses received	3,53,103.40	

c. Balances with related parties

Particulars	Recoverable / (Payable) as at	
	2021-22	2020-21
	Amount (Rs.)	Amount (Rs.)
<u>Punjab National Bank, Parent Bank/Holding Company</u>		
(a) Receivable		
- Fixed Deposits	12,08,84,032.00	-
- Current Accounts including Prepaid Card & Sweep Deposit	3,20,84,204.42	-
(b) Payables	Nil	-

- d. MD & CEO and CFO of the company- the Key Management Personnel are on deputation from Parent Bank and remuneration of the Key Management 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.

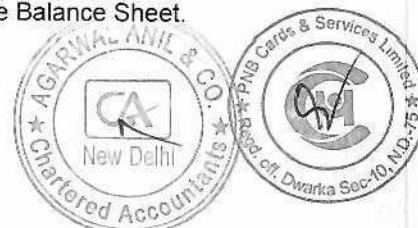
Note 30: Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

S.No.	Particulars	2021-22	2020-21
		Amount (Rs.)	Amount (Rs.)
			-
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil
(iii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	Nil	Nil
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
(vi)	the amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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

Note 31: Current Assets

The value of current assets, loans and advances other than those stated otherwise, if realised in the ordinary course of business, shall atleast be equal to the amount at which those are stated in the Balance Sheet.



Note 32: 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 33: Segment Reporting

The company is engaged in Support Services related to Credit Card business and has only domestic operations. Accordingly, the company has only one reportable business and geographical segment. Hence the financial statement are reflective of the information required by Accounting Standard 17 as prescribed in Company (Accounting Standard) Rules, 2006.

Note 33: Contingent Liabilities & Capital Commitments

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

Note 34: Ratio Analysis

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
Current Ratio	15,44,90,888.44	51,53,129.15	29.98	N.A.	N.A.	N.A.
Return on Equity	13,29,442.72	147123287.7	0.01	N.A.	N.A.	N.A.
Net Capital Turnover Ratio	2,60,68,175.00	14,93,37,759.29	0.17	N.A.	N.A.	N.A.
Net Profit Ratio	13,29,442.72	2,60,68,175.00	0.05	N.A.	N.A.	N.A.
Return on Capital Employed	17,92,376.72	15,13,29,442.72	0.01	N.A.	N.A.	N.A.

Note 35: Comparative Figures

Schedule III states that except for the first financial statements prepared by a company after incorporation, presentation of comparative amounts is mandatory. As such, being the first financial information after incorporation, the company need not to present comparative information.

