

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 2023, and the statement of Profit and Loss, and statement of cash flows for the period from 01.04.2022 to 31.03.2023, 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, 2023, its profit, and its cash flows for the period from 01.04.2022 to 31.03.2023.

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.

The 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 scepticism 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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, 2023.
 - 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.

2. The Report on directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of PNB CARDS & SERVICES LIMITED for the year 2022-23, issued by the office of the Comptroller and Auditor General of India under the provisions of Section 143(5) of the Companies Act, 2013 is attached as **Annexure C**.



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

Anil
Dr. Anil Agrawal
Partner

Membership No: 082103

UDIN: 23082103BGTXIDD1502

Place: New Delhi

Date: **02 MAY 2023**

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, 2023.

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 2023 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. However in our opinion, it should be introduced for better internal/financial controls.

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 not incurred any cash losses in the current 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



Anil

Dr. Anil Agrawal
Partner
Membership No: 082103
UDIN: 23082103BGGXIDDIS02

Place: New Delhi
Date: **02 MAY 2023**

**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, 2023 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 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, 2023, 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

Anil

Dr. Anil Agrawal
Partner

Membership No: 082103

UDIN: 23082103B6XIDDIS02

Place: New Delhi
Date: 02 MAY 2023

ANNEXURE C 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, 2023.

The Report on directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **PNB CARDS & SERVICES LIMITED** for the year 2022-23, issued by the office of the Comptroller and Auditor General of India under the provisions of Section 143(5) of the Companies Act, 2013.

S. No.	Description	Auditors Observation
I.	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.	As such company do not have a system in place to process all the accounting transactions through IT system. As per the information and explanation given to us and based on the verification of books of accounts, the company is maintaining its books of accounts in Accounting Software (Tally Prime) and all the transactions are entered in the System.
II.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As per the information and explanation given to us and based on the verification of books of accounts, the company has neither availed any loan nor there is any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc.
III.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/used as per its term and conditions? List the cases of deviation. In addition, the auditor is required to comply with any additional Company / Sector specific directions issued under section 143(5) of the Companies Act, 2013 by the Field office entrusted with the supplementary audit of the Company.	As per the information and explanation given to us and based on the verification of books of accounts, the company has not received/receivable any grant/subsidy for any schemes from Central/State Government or its agencies

For and on behalf of
Agarwal Anil & Co.
Chartered accountants

Firm's Registration Number 003222N

UDIN: 23082103867XIDD1502



Anil

Dr. Anil Agrawal
Partner
M.No. 082103

Place: New Delhi

Date: 02 MAY 2023

PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

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

Corp. Office: 6th Floor, 7 Bhikaji Cama Place, New Delhi-110067

Balance Sheet as at 31st, March 2023

Amount in ('000)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I EQUITY & LIABILITIES			
1) Shareholder's Fund			
a) Share Capital	3	1,50,000.00	1,50,000.00
b) Reserve & Surplus	4	13,415.75	1,329.44
		1,63,415.75	1,51,329.44
2) Non Current Liabilities			
a) Long Term Borrowings			-
b) Deferred Tax Liabilities (Net)			-
c) Other Long Term Liabilities			-
d) Long Term Provisions	5	22.82	-
		22.82	-
3) Current Liabilities			
a) Short Term Borrowings	6	-	-
b) Trade Payables	7	-	-
A) total outstanding dues of micro enterprises and small enterprise; and		-	-
B) total outstanding dues of creditors other than micro enterprises and small enterprise.		-	209.87
b) Other Current Liabilities	8	2,378.32	4,943.26
c) Short Term Provision	9	1,904.86	-
		4,283.18	5,153.13
Total		1,67,721.75	1,56,482.57
II ASSETS			
1) Non Current Assets			
a) Property Plant and equipment and Intangible Assets			
i) Property, Plant and Equipment	10	2,681.13	1,262.50
ii) Intangible Assets		13.85	15.47
b) Deferred Tax Asset (Net)	11	331.63	494.71
c) Long Term Loans & Advances	12	-	-
d) Other Non-Current Assets	13	219.00	219.00
		3,245.61	1,991.68
2) Current Assets			
a) Trade Receivables	14	-	-
b) Cash & Cash Equivalents	15	1,63,827.40	1,52,968.15
c) Short Term Loans & Advances	16	648.74	1,522.74
d) Other Current Assets		-	-
		1,64,476.14	1,54,490.89
Total		1,67,721.75	1,56,482.57

See Accompanying notes to the Financial Statements

Sachin Ludhiyani
Sachin Ludhiyani
Chief Financial Officer

Aditya Nath Das
Aditya Nath Das
Managing Director & CEO

As per our report of even date,
For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

Annu
Dr. Anil Agrawal
Partner

Membership No: 082103

Place: New Delhi

Date:

UDIN: 23082103BGX1DD1502

Ekta Pasricha
Ekta Pasricha
Company Secretary

Kalyan Kumar
Kalyan Kumar
Non Executive Chairman



PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075
Corp. Office: 6th Floor, 7 Bhikaji Cama Place, New Delhi-110067

Profit & Loss Statement for the period ended 31st Mar, 2023

Particulars	Note No.	Figures for the Current Reporting Period (In '000)	Figures for the Previous Reporting Period (In '000)
		From 01/04/2022 to 31/03/2023	From 16/03/2021 to 31/03/2022
I. Revenue from Operations	17	47,121.52	26,068.18
II. Other Income	18	7,784.74	6,204.40
III. Total Income		54,906.26	32,272.58
IV. Expenses			
Employee Benefit Expenses	19	34,658.99	21,153.27
Finance Cost	20	-	-
Depreciation & Ammortization Expenses	21	519.71	467.72
Other Expenses	22	10,170.34	8,856.66
Total Expenses		45,349.04	30,477.65
V. Profit Before Extraordinary & Exceptional items		9,557.22	-
VI. Exceptional Items (net off Tax)	23	5,152.23	-
VII. Profit Before Extraordinary items and tax		14,709.45	-
VIII. Extraordinary items		-	-
IX. Profit Before Tax		14,709.45	1,794.93
X. Tax Expense:	24		
i) Current Tax		2,391.18	957.65
ii) Tax adjustment of earlier years		68.88	-
iii) Deferred Tax Liability/(Asset)		163.08	-494.71
XI. Profit/(Loss) for the period from continuing operations		12,086.31	1,331.99
XII. Profit/(Loss) for the period from discontinuing operations		-	-
XIII. Tax expense of Discontinuing operation		-	-
XIV. Profit/(Loss) for the period from discontinuing operations (after Tax)		-	-
XV. Profit/(Loss) for the period		12,086.31	1,331.99
XVI. Earning per Equity Share:	25		
1) Basic		0.81	0.09
2) Diluted		0.81	0.09
Face value per equity Share (in Rs.)		10.00	10.00

* Profit before Tax is after Exceptional Item and tax thereon. Tax Expenses are excluding the Current Tax on Exceptional Items

See Accompanying notes to the Financial Statements

Sachin Ludhiyani
Chief Financial OfficerAditya Nath Das
Managing Director & CEOEkta Pasricha
Company SecretaryKalyan Kumar
Non Executive Chairman

As per our report of even date.

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

Membership No: 082103

Place: New Delhi

Date:

UDIN: 23082103BGNX1DDIS02



02 MAY 2023

PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075
Corp. Office: 6th Floor, 7 Bhikaji Cama Place, New Delhi-110067

Statement of Cash Flows for the period ended 31st March, 2023

Particulars	Period Ended	
	March 31, 2023	Mar 31, 2022
A. Cash Flow from Operating Activities		
Net Profit/(Loss) after Tax	12,086	1,329
Provision for Tax	4,609	463
(I) Net Profit/(Loss) before Tax	16,695	1,792
(II) Adjustments for:		
Interest on Fixed Deposits & Sweep Deposit	-7,785	-6,037
Depreciation	520	470
Provision for expenses	2,324	264
Provision for Gratuity	23	-
Exceptional Item (Depreciation Adjustment)	-317	-
Sub Total	-5,236	-5,302
Operating Profit/(Loss) before Working Capital Changes	(I+II) 11,459	-3,510
(III) Adjustment for net change in Working Capital		
Decrease/(Increase) in Current Asset	1,354	-1,336
Increase/(Decrease) in Current Liability	-3,194	4,889
Decrease/(Increase) in Non Current Assets	-	-219
	-1,840	3,334
Cash generated from Operations	(I+II+III) 9,620	-176
Direct Taxes paid (including interest)	-4,926	-1,145
A Net Cash Flow/ (used in) operating activities	(A) 4,694	-1,320
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-1,619	-1,748
Sale of Fixed Assets	-	-
Interest Received on FDR	7,785	6,037
Net cash flow/(used in) investing activities	(B) 6,165	4,288
C. Cash Flow from Financing Activities		
Issue of Equity Shares	-	1,50,000
Net cash flow/(used in) financing activities	(C) -	1,50,000
Net change in Cash and Cash equivalents	(A+B+C) 10,859	1,52,968
Cash and Cash equivalents as at beginning of the year	1,52,968	-
Cash and Cash equivalents as at end of the year	1,63,827	1,52,968
Note:		
1 Components of Cash and Cash equivalents:		
Cash on Hand	-	-
Balances with Banks in:		
In Current Accounts	524	29,724
In Suvidha Card (Imprest Account)	-	40
In Sweep Deposit Account	16,055	2,320
Other Bank Balances		
Balance with Banks		
In Fixed deposit account with maturity less than 12 month (including interest accrued)	1,47,248	1,20,884
In Fixed deposit account with maturity more than 12 month	-	-
	1,63,827	1,52,968
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		

Sachin

Sachin Ludhiyani
Chief Financial Officer

Aditya
Aditya Nath Das
Managing Director & CEO

As per our report of even date.
For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

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

Date: 02 MAY 2023
UDIN: 2302103B6XIDD1502



Ekta
Ekta Pasricha
Company Secretary

Kalyan
Kalyan Kumar
Non Executive Chairman



Note 1: General Information

A. Background

PNB Cards & Services Limited ("the Company") having CIN No. U74999DL2021PLC378579, has been incorporated on 16th March, 2021. The company is carrying on business of non-financial support services related to Credit Card business of Punjab National Bank. RBI vide its letter dated 13.01.2023 has conveyed approval for undertaking additional non-financial support services by the company which includes Sourcing, Marketing, Promoting, Publicising, Advertising, Soliciting, distributing deposits (Current and Saving Accounts etc.) and retail loan products (Housing Loan, Loan against property, Vehicle Loan, Education loan, Personal loan etc.) 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 Certain services are priced as per cost plus markup approach and the revenue is recognized considering the actual revenue expenses incurred during the invoice period.
- F.3 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. Employee Benefits or Terminal Dues

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

I.1 Gratuity

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

I.2 Leave Encashment

All confirmed employees are eligible for Privilege Leave of one day for every 11 days of service on duty provided that at the commencement of service no privilege leave may be availed of before completion of 11 months of service on duty. Maximum accumulation will be upto 180 days which can be encashed only at the time of separation.

J. Provision, Contingent Liability and Contingent Assets

- J.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes 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.
- J.2 Contingent Assets are not recognized in the financial statements.

K. Earnings per Share

- K.1 Basic Earnings per Share: In determining basic earnings 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 earnings 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.2 Diluted Earnings per Share: For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

L. 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: Corp. Office: 6th Floor, 7 Bhikaji Cama Place, New Delhi-110067

Notes forming Part of Financial Statements for the period ended March 31, 2023

Particulars	As at 31.03.2023	As at 31.03.2022
	(Amount in '000)	(Amount in '000)
Note 3: Share Capital		
<u>Authorized Capital</u>		
2,50,00,000 Equity shares of Rs.10/- each	2,50,000.00	2,50,000.00
<u>Issued, subscribed and Paid up</u>		
1,50,00,000 Equity shares of Rs.10/- each fully paid up	1,50,000.00	1,50,000.00
	1,50,000.00	1,50,000.00

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

Name of Shareholder	As at 31.03.2023	As at 31.03.2022
	(Amount in '000)	(Amount in '000)
1) Punjab National Bank, the holding Company and its nominees		
- No. of Shares	1,50,00,000	1,50,00,000
- % of total shareholdings	100%	100%

Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31.03.2023	As at 31.03.2022
	(Amount in '000)	(Amount in '000)
1) Punjab National Bank, the holding Company and its nominees		
- No. of Shares	1,50,00,000	1,50,00,000
- % of total shareholdings	100%	100%

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

Particulars	As at 31.03.2023	As at 31.03.2022
	(Amount in '000)	(Amount in '000)
At the beginning of the year	1,50,00,000	-
Add: Issued during the year	-	1,50,00,000
Outstanding at the end of the year	1,50,00,000	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

Current Reporting Period as at 31.03.2023				
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.

Previous Reporting Period as of 31.03.2022				
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 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 4: Reserve & Surplus		
Surplus in statement of Profit & Loss		
Opening Balance		
Add: Profit for the period	1,329.44	
	12,086.31	1,329.44
Less:	13,415.75	1,329.44
Appropriations		
- Dividend declared of previous year	-	
- Tax on Dividend	-	
Closing Balance	13,415.75	1,329.44

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 5: Long Term Provisions		
<u>Provisions for Employee Benefits</u>		
Gratuity		
As per last year	-	
Less: Paid during the year	-	
Add: Provision made during the year	22.82	
Closing Balance	22.82	
Leave Encashment		
As per last year	-	
Less: Paid during the year	-	
Add: Provision made during the year	-	
Closing Balance	-	
	22.82	-



Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 6: Short Term Borrowings	-	-
	-	-

Note 7: Trade Payables

(Amount in '000)

Current Reporting Period as at 31.03.2023					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
i. MSME	-	-	-	-	-
ii. Others	-	-	-	-	-
iii. Disputed Dues	-	-	-	-	-
MSME	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-

(Amount in '000)

Previous Reporting Period as of 31.03.2022					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
i. MSME	-	-	-	-	-
ii. Others	209.87	-	-	-	209.87
iii. Disputed Dues	-	-	-	-	-
MSME	-	-	-	-	-
Others	-	-	-	-	-
	-	-	-	-	-
					209.87

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 8: Other Current Liabilities		
Duties & Taxes	-	4,622.00
Employees Additional Rent	2.50	5.00
Expenses Payables	1,157.34	264.10
Provision for Wage Revision of PNB deputees	1,166.32	
Retention Money	52.16	52.16
	2,378.32	4,943.26

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 9: Short Term Provisions		
GST Payable	1,836.35	-
TDS(GST) payable	20.60	
TDS Payable	47.91	
	1,904.86	-



PROPERTY, PLANT AND EQUIPMENT AS ON 31.03.2023

Note No. 10 -PLANT PROPERTY AND EQUIPMENT

I. Tangible Assets

(Amt in '000)											
S.No.	Particular	GROSS BLOCK				DEPRECIATION				As on 31.03.2023	As on 31.03.2022
		As on 01.04.2022	Additions During the year	Deductio n during the period	Total as on 31.03.2023	Upto 31.03.2022	Depreciati on charge for the period	Adjustme nts for prior period	Total As on 31.03.2023		
a)	Computers, Laptop & Printers	1,152.05	413.95	-	1,566.00	450.50	385.93	-300.33	536.10	1,029.90	701.55
b)	Office Equipments	25.60	13.00	-	38.60	4.27	5.84	-3.42	6.69	31.91	21.33
c)	Leasehold Improvements*	552.56	-	-	552.56	12.94	39.69	-11.65	40.98	511.58	539.62
d)	Furnitures & Fixtures	-	72.56	-	72.56	-	0.09	-	0.09	72.47	-
e)	Vehicles	-	1,119.79	-	1,119.79	-	84.52	-	84.52	1,035.27	-
	Total	1,730.21	1,619.30	-	3,349.51	467.71	516.07	-315.40	668.38	2,681.13	1,262.50
	Previous Year (31.03.2022)	-	1,730.21	-	1,730.21	-	467.72	-	467.72	1,262.50	-

II. Inangible Assets

(Amt in '000)											
S.No.	Particular	GROSS BLOCK				DEPRECIATION				As on 31.03.2023	As on 31.03.2022
		As on 01.04.2022	Additions During the year	Deductio n during the period	Total as on 31.03.2023	Upto 31.03.2022	Depreciati on charge for the period	Adjustme nts for prior period	Total As on 31.03.2023		
a)	Softwares	18.00	-	-	18.00	2.53	3.64	-2.02	4.15	13.85	15.47
	Total	18.00	-	-	18.00	2.53	3.64	-2.02	4.15	13.85	15.47
	Previous Year (31.03.2022)	-	18.00	-	18.00	-	2.53	-	2.53	15.47	-

Note: Leasehold improvements has been ceased to use w.e.f. 01.01.2023, Depreciation till 31.12.2023 has been charged on the same.
 The company has already received the expression from the lessor to purchase the Leasehold improvement at Book Value.



Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 11: Deferred Tax Asset (Net)		
Deferred Tax Asset/(Liability)		
- Pre Incorporation Expense	406.89	507.03
- Employee Benefit Expenses	6.35	-
- Depreciation	-81.61	-12.32
	331.63	494.71

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 12: Long Term Loans & Advances	-	-
	-	-

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 13: Other Non Current Assets		
ii) Security Deposit for Rental Accommodation of Employees Unsecured, considered good	219.00	219.00
	219.00	219.00

Note 14: Trade Receivables

(Amount in '000)

Current Reporting Period as at 31.03.2023						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed Trade Receivables- considered Good	-	-	-	-	-	-
ii. Undisputed Trade Receivables- considered Doubtful	-	-	-	-	-	-
iii. Disputed Trade Receivables- considered Good	-	-	-	-	-	-
iv. Disputed Trade Receivables- considered Doubtful	-	-	-	-	-	-
						-



(Amount in '000)

Previous Reporting Period as of 31.03.2022						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivables- considered Good	-	-	-	-	-	-
ii. Undisputed Trade Receivables- considered Doubtful	-	-	-	-	-	-
iii. Disputed Trade Receivables- considered Good	-	-	-	-	-	-
iv. Disputed Trade Receivables- considered Doubtful	-	-	-	-	-	-
						-

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 15: Cash & Bank Balances		
a) Cash & Cash equivalents		
Balance with Banks		
In Current Accounts	524.04	29,723.73
In Suvidha Card (Imprest Account)	-	40.28
In Sweep Deposit Account	16,055.00	2,320.11
b) Other Bank Balances		
Balance with Banks		
In Fixed deposit account with maturity less than 12 month (including interest accrued)	1,47,248.36	1,20,884.03
In Fixed deposit account with maturity more than 12 month	-	-
	1,63,827.40	1,52,968.15



Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 16: Short Term Loans & Advances		
A Unsecured considered good		
Balances with Statutory / Government Authorities:		
Input Tax Credit of GST	10.94	1,330.21
Income Tax Refund FY 2021-22	-	186.94
Advance Tax and TDS recievable (Net of provision)	479.86	-
Prepaid Expenses	157.94	5.59
	648.74	1,522.74

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 17: Revenue from Operations		
Customer Acquisition- Business Support Service	47,121.52	26,068.18
	47,121.52	26,068.18

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 18: Other Income		
Interest on Fixed Deposit	7,071.48	6,036.68
Interest on Sweep Deposit	708.54	167.72
Interest on IT Refund	4.72	-
	7,784.74	6,204.40

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 19: Employee Benefit Expenses		
Salary Allowances and other Benefits	29,458.34	17,615.15
Contribution to Statutory and other funds	1,991.09	1,435.12
Lease Rent for Residential Accomodation	3,209.56	2,103.00
	34,658.99	21,153.27

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 20: Finance Cost		
	-	-
	-	-



Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 21: Depreciation & Ammortization		
Depreciation on Tangible Assets	516.07	467.72
Ammortisation on Intangible Assets	3.64	0
	519.71	467.72

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 22: Other Expenses		
Auditors Remuneration	225.00	225.00
Bank Charges	0.62	0.40
Brokerage	26.00	99.00
Bulk SMS Charges	483.44	9.92
Business Promotion Exp	-	20.78
Cleansing Expense	57.13	51.80
Consultancy Charges	106.00	
Conveyance, Tour & Travel	1,916.84	1,848.53
Developer Registration Fee	1.94	
Digital Onboarding Application Charges	366.20	972.20
Domain Registration Charges	3.55	28.13
Electricity Expenses	211.04	59.26
Entertainment Expenses	185.70	155.45
Incorporation Expenses	-	2,437.66
Interest on Late payment of TDS	0.39	
Legal & Professional Expense	47.96	67.27
Maintenance of Leasehold Premises	361.58	189.41
Marketing Expenses	462.29	
Miscellaneous Expense	0.01	0.15
Newspaper & Periodicals	67.20	59.40
Office Expenses	250.48	52.59
Postage, Telephone & Internet	239.50	151.54
Printing & Stationary	85.93	37.68
Procurement Expenses	24.03	
Recruitment Expenses	57.60	51.84
Remuneration to Outsourced Staff	1,113.89	
Rent	2,017.74	691.04
Repair & Maintenance	73.99	2.39
Retainership Fee-CS	336.00	336.00
ROC Fee	11.30	12.60
Royalty Fee paid to PNB	64.55	
Sitting Fee (Director)	340.00	240.00
Stamp Duty on Share Issue	150.00	
Subscription of Software/Digital Certificates	36.06	762.60
Trade Mark Fee	-	54.00
Training Expenses	57.32	
Travelling Expenses	789.06	240.02
	10,170.34	8,856.66



Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 23: Extraordinary and Exceptional items		
Customer Acquisition- Business Support Service (Income for FY 2021-22)	6,820.61	-
Depreciation Adjustment (Expense Adjustment for FY 2021-22)	317.42	-
Tax on above items	-1,985.80	-
	5,152.23	-

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 24: Current Tax		
Provision for Income Tax for Current Year	2,391.18	957.65
	2,391.18	957.65

Particulars	As at 31.03.2023 (Amount in '000)	As at 31.03.2022 (Amount in '000)
Note 25: Earnings per Share (EPS)		
Net Profit/(Loss) as per Profit & Loss statement	12,086.31	1,331.99
Number of equity shares at the beginning of the year	1,50,00,000	0
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	1,50,00,000
Weighted average number of equity shares outstanding during the period	1,50,00,000	147,12,329
Nominal Value of Shares	10.00	10.00
Basic & Diluted Earning per Share	0.81	0.09



Note 26: Financial Ratios

(Amount in '000)

	Particulars	Numerator	Denominator	Ratio for 2022-23	Ratio for 2021-22	% Variance	Reason for Variance
a)	Current Ratio (Current Asset/Current Liability)	1,64,476.14	4,283.18	38.40	29.98	28%	Current Ratio has been increased due to increase in Cash & Cash Equivalents held by the Company. Company is maintaining its investments in Bank FDR and the Cash profit earned during the year has increased the balance in Cash Equivalents.
b)	Debt – Equity Ratio = Total Debt/ Shareholder's Equity	Not Applicable					
c)	Debt Service Coverage Ratio = Earnings available for debt service / Debt Service	Not Applicable					
d)	Return on Equity = Net Profits after taxes – Preference Dividend (if any) / Average Shareholder's Equity	12,086.31	157372.595	0.08	0.01	668%	Return on Equity has been increased due to rose in Net Profit of the Company and inclusion of Extraordinary items in the Profits.
e)	Inventory Turnover ratio = Cost of goods sold OR sales/ Average Inventory	Not Applicable					
f)	Trade receivables turnover ratio = Net Credit Sales / Average Accounts Receivable	Not Applicable					
g)	Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables	Not Applicable					
h)	Net capital turnover ratio = Net Sales/ Average Working Capital	47,121.52	154765.36	0.30	0.17	79%	The Net Sales of the Company has been increased as a result the net capital turnover ratio has been increased.
i)	Net Profit Ratio = Net Profit / Net Sales	12,086.31	47,121.52	0.26	0.05	413%	The Net Profit Ratio of the Company has been increased due to increase in Net Profit of the Company and inclusion of Extraordinary items in the Profits.
j)	Return on capital employed = Earning before interest and taxes / Capital Employed	14,709.45	1,63,415.75	0.09	0.01	800%	The Earnings of the Company has been increased due to increase in Net Profit of the Company and inclusion of Extraordinary items in the Profits.
k)	Return on investment	Not Applicable					



Note 27: The Financial Year 2021-22 wherever mention shall refer to the period commencing from 16.03.2021 to 31.03.2022.

Note 28: Breakup of remuneration paid to the Statutory Auditors of the Company:

Particulars	2022-23	2021-22
	(Amount in '000)	(Amount in '000)
Statutory Audit under Companies Act	125.00	125.00
Tax Audit under Income Tax Act	40.00	40.00
Quarterly Limited Review of Financial Statement	60.00	60.00
Total	225.00	225.00

Note 29: Corporate Social Responsibility

Company is not required to spend on CSR activity during the FY 2022-23 (FY 2021-22-Rs. Nil) since average net profit of last 3 financial years is less than Rs. 5.00 Crore and company is not falling in any of the criteria set out in sub section (1) of Section 135 of Companies Act, 2013.

Note 30: Dividend

The Company has not recommended any dividend during the FY 2022-23 (FY 2021-22- Rs. Nil) as presently the Board has decided to plough back its profits for future diversification of business.

Note 31: Leases

The Company has taken Office Premises on operating lease from the Parent Bank. The terms are renewable on such terms and conditions as may be mutually agreed upon between the parties.

Particulars	2022-23	2021-22
	(Amount in '000)	(Amount in '000)
(a) Lease payments for the year	2017.74	691.04
Minimum Lease payments:		
(b) Not later than one year	1520.00	1896.72
(c) Later than one year but not later than five year	Nil	Nil
(d) Later than five year	Nil	Nil

Note 32: Employee Benefit Obligations

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

- A. Defined Contribution Plans-** Contribution to defined contribution plans recognized as "Employee Benefit Expenses" for the year are as under:

Particulars	2022-23	2021-22
	(Amount in '000)	(Amount in '000)
(a) Contribution to Provident Fund	46.50	Nil

- B. Defined Benefit Plans (Gratuity & Leave Encashment)-** Presently there are only 2 employees on the payroll, the company and the company is voluntarily contributing to the Gratuity Fund. As such, the provision for gratuity has been made on best estimation basis considering the following assumptions.

There was no accrual of Leaves as on the reporting date. As such, no provision has been provided for leave encashment during the FY 2022-23.



Disclosures as per Accounting Standard on Employee Benefit (AS-15) are as follows:

a. Net Employee Benefit Expenses recognized in the Employee Cost

(Amount in '000)

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
1. Current Service Cost	22.82	-	-	-
2. Interest Cost on Benefit Obligation	-	-	-	-
3. Expected Return on Plan Asset	N.A.	-	-	-
4. Actuarial Gain/(Loss)	N.A.	-	-	-
5. Net Benefit Expenses	22.82	-	-	-

b. Net Liability as shown in Balance Sheet Date

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
1. Present Value of Defined Benefit Obligation	22.82	-	-	-
2. Fair Value of Plan Assets	-	-	-	-
3. Net Liability/(Asset) recognized in the Balance Sheet	22.82	-	-	-

c. Net Liability as shown in the Balance Sheet date under "Short Term/ Long Term Provisions".

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
1. Opening present value of Defined Benefit Plan	-	-	-	-
-Current	-	-	-	-
-Non Current	-	-	-	-
2. Interest Cost	-	-	-	-
3. Current Service Cost	22.82	-	-	-
4. Actuarial (Gains)/Losses on obligation	-	-	-	-
5. Benefit paid	-	-	-	-
6. Closing Defined Benefit Plan	22.82	-	-	-
-Current	22.82	-	-	-
-Non Current	-	-	-	-

d. Changes in Fair Value and Plan Assets

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
1. Opening fair value of Planned Asset	-	-	-	-
2. Expected Return	-	-	-	-
3. Contribution made by employer	-	-	-	-
4. Actuarial (Gains)/Losses on obligation	-	-	-	-
5. Benefit paid	-	-	-	-
6. Closing fair value of Planned Asset	-	-	-	-



e. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
1. Interest and Discount Rate	8%	-	-	-
2. Estimated Rate of Return on planned asset	N.A.	-	-	-
3. Attrition Rate	N.A.	-	-	-
4. Retirement Age	60	-	-	-
5. Salary Cost increase rate	5%	-	-	-

Note 33: 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 (Non-Executive 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	2022-23	2021-22
	(Amount in '000)	(Amount in '000)
Key Managerial Personnel		
- Remuneration to MD & CEO (Shri Aditya Nath Das)	2757.35	2455.49
- Remuneration to Chief Financial Officer (Shri Sachin Ludhiyani)	1849.80	1709.52
- Sitting Fees to Director (Shri Vijay Jasuja)	340.00	240.00
- Parental Lease payment to relative of KMP (Smt. Saraswati Devi)	300.00	275.00
Punjab National Bank, Parent Bank/Holding Company		
(a) Expenditure		
- Reimbursement of expenses paid	Nil	2414.60
- Bank Charges	0.62	0.40
- Office Rent	2017.74	691.04
(b) Income		
- Customer Acquisition- Business Support Service (Excluding GST)	53942.13	26068.17
- Reimbursement of expenses received	Nil	353.10
- Interest Received	7780.02	6204.40



c. Balances with related parties

Particulars	Recoverable / (Payable) as at	
	31.03.2023	31.03.2022
	(Amount in '000)	(Amount in '000)
Punjab National Bank, Parent Bank/Holding Company		
(a) Receivable		
- Fixed Deposits	147248.36	120884.03
- Current Accounts including Prepaid Card & Sweep Deposit	16579.03	32084.20
- Trade Receivable	Nil	Nil
- Sundry Receivable	Nil	Nil
(b) Payables		
Rent Payable	Nil	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 34: Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

S.No.	Particulars	As at	As at
		31.03.2023 (Amount in '000)	31.03.2022 (Amount in '000)
(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 35: 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 36: Current Liabilities

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



Note 37: 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 38: Contingent Liabilities & Capital Commitments

Particulars	As at 31.03.2023	As at 31.03.2022
	(Amount in '000)	(Amount in '000)
Contingent Liabilities	Nil	Nil
Capital Commitments	Nil	Nil
Total	Nil	Nil

Note 39: Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the FY 2022-23 (FY-2021-22- Rs. Nil).

Note 40: Additional Regulatory Information

- The company has not borrowed or lend any amount during the FY 2022-23 (FY 2021-22- Rs. Nil)
- During the FY 2022-23, No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
- No proceedings have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company has neither borrowed any money from any bank or financial institutions nor it has been declared as wilful defaulter by any bank or financial institution.
- Registration or satisfaction of charges is not pending to be registered with Registrar of Companies beyond the statutory period.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 41: During the reporting period C&AG has conducted the supplementary Audit of Books of Accounts of the Company for the FY 2021-22, wherein observation has been made about the overstatement of Depreciation by Rs. 3.14 lakh. As such, the same has been rectified during the first quarter and reported under Exceptional Item.

Note 42: Pending settlement of the Bipartite agreement on wage revision (due from November 1, 2022), an amount of Rs. 11.66 lakh has been provided during the FY 2022-23 (FY 2021-22- Rs. Nil) towards wage revision of employees deputed from PNB.

Note 43: During the reporting period, Company has received a communication from Punjab National Bank (CC & MAB Division) to charge all the revenue expenditure (including depreciation on capex) with a markup of 10%. However, the invoice for FY 2021-22 has been raised after netting off the interest Income received by the company. As such, the balance adjustment of Rs. 68.20 lakh for the previous year i.e. upto 31.03.2022 has also been booked in the current period and reported under Exceptional Item.

Note 44: Board in its meeting dated 30.09.2022, accorded in-principle approval for diversification of business by undertaking additional activities, in addition to existing credit card business subject to approval from RBI.

RBI vide its letter dated 13.01.2023 has conveyed approval to the Bank for undertaking additional non-financial support services by PNB Cards & Services Limited (PNBCSL). RBI approval contains non-financial support services i.e. Sourcing, Marketing, Promoting, Publicising, Advertising, Soliciting, distributing deposits (Current and Saving Accounts etc.) and retail loan products (Housing Loan, Loan against property, Vehicle Loan, Education loan, Personal loan etc. by the Company.

Note: 45: The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

