

125th

ANNUAL REPORT

2019-2020

**PNB FINANCE AND
INDUSTRIES LIMITED**

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BOARD OF DIRECTORS

ASHISH VERMA	<i>DIRECTOR</i>
GOVIND SWARUP	<i>DIRECTOR</i>
RAKESH DHAMANI	<i>DIRECTOR</i>
SAUMYA AGARWAL	<i>DIRECTOR</i>
SHWETA SAXENA	<i>DIRECTOR</i>

COMPANY SECRETARY

SHWETA SAXENA

CHIEF FINANCIAL OFFICER

VIVEKA NAND JHA

MANAGER

VIJAY KUMAR BAKSHI

AUDITORS

AWATAR & CO.
Chartered Accountants
New Delhi

REGISTRAR & SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES (P) LTD.
D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020
Tel : +91-11- 26812682/83
E-mail : viren@skylinerta.com

REGISTERED OFFICE

CIN: L65929DL1947PLC001240
1st Floor, Express Building, 9-10,
Bahadur Shah Zafar Marg, New Delhi-110002
Tel : +91-7303495375
E-mail : pnbfinanceindustries@gmail.com
Website: www.pnbfinanceandindustries.com

NOTICE

NOTICE is hereby given that the 125th Annual General Meeting of the members of PNB Finance and Industries Limited (the ‘Company’) will be held on Wednesday, September 30, 2020 at 10.00 A.M. IST through Video Conferencing (VC) to transact the following businesses:

Ordinary business:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors (‘the Board’) and auditors thereon.
2. To declare dividend of ₹ 0.60 per equity share for the financial year ended March 31, 2020.
3. To re-appoint the Statutory Auditors of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint M/s Awatar & Co., Chartered Accountants (FRN: 000726N), as Statutory Auditors of the Company and to conduct the statutory audit of the Company for the second term of five years by another auditing partner of the Firm, Mr. Brijendra Agrawal (Membership No. 087787) who shall hold the office from the conclusion of this Annual General Meeting till the conclusion of the 130th Annual General Meeting of the Company and that the Board be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee of the Board.”

Special business:

4. To re-appoint Mr. Govind Swarup (DIN: 00003145) as a Non-Executive Independent Director for a second term and in this regard to consider and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-

enactment(s) thereof, for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors, Mr. Govind Swarup (DIN: 00003145), who was appointed as an Independent Director and who holds office upto February 05, 2020 ,being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. upto February 05, 2025.”

5. To appoint Ms. Shweta Saxena (DIN- 03120958) as a Whole-Time Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161, 196, 197 and 203 read with Schedule V and Articles of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 , upon recommendation of Nomination and Remuneration Committee and subject to the approval of Reserve Bank of India (RBI) as per the notification No.DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015, Ms. Shweta Saxena (DIN: 03120958), Company Secretary of the Company, be and is hereby appointed as a Whole- Time Director of the Company, not liable to retire by rotation, for a period of five years with effect from August 27, 2020 on the terms and conditions as set out in her appointment letter as Company Secretary dated July 28, 2008 and on remuneration as given below with liberty to the Board of Directors to alter and vary the terms and conditions and other benefits of the said appointment and remuneration as it may deem fit in line with the Company’s policy and as may be acceptable to Ms. Shweta Saxena, subject to the same not exceeding the limit specified under Section 197 and Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.”

Particulars	Amount in ₹ (monthly)
Basic salary	41,125
House rent allowance	20,563
Special pay	99,000
Other perks*	23,033
Provident fund	4,935
Total remuneration	1,88,656

*It includes conveyance, leave travel allowance, telephone allowance & mediclaim

Gratuity will be paid as per Company’s Policy

PNB FINANCE AND INDUSTRIES LIMITED

By order of the Board of Directors
For **PNB Finance and Industries Limited**

Shweta Saxena
Company Secretary
Membership No.: A18585

Place: New Delhi

Date: August 27, 2020

Registered Office:

1st Floor, Express Building, 9-10,

Bahadur Shah Zafar Marg, New Delhi-110002

CIN: L65929DL1947PLC001240 Tel: +91-7303495375

Website: www.pnbfinanceandindustries.com

Email: pnbfinanceindustries@gmail.com

NOTES:

1. In view of the Covid-19 pandemic, Ministry of Corporate Affairs (hereinafter referred as 'MCA') vide circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred as "Circulars") allowed companies for conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) during the calendar year 2020. Similarly Securities and Exchange Board of India (hereinafter referred as 'SEBI') has granted certain relaxation to listed entities for holding AGM vide its circular dated May 12, 2020.

In line with the above given circulars and guidelines issued by MCA and SEBI, Company is conducting 125th Annual General Meeting of the members through VC.

Members may note that the Company has followed all the guidelines and procedure as required under the MCA and SEBI circulars as stated above and duly complied with the regulatory framework.

Detailed instructions with respect to participation in the AGM through VC are provided in **Annexure B** to this notice; Members are requested to get through the notes carefully to understand the procedural requirement to attend the AGM through VC.

2. In line with the above said circulars, dispatch of physical copies of annual report or other documents required to be attached therewith, to shareholders is dispensed with, annual report or other documents are being sent only by email to the members and to all other person so entitled.

Copy of the Annual Report 2019-20, Notice of 125th AGM and instructions for e-voting and participation through VC, are being sent by electronic mode only to those members whose email addresses are registered

with the Company/ depository participant(s) for communication purpose. For members who have not registered their email addresses, are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent Skyline Financial Services Private Limited (Registrar and Transfer Agent), D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Phone: 011-26812682/83, Email: parveen@skylinerta.com.

The Company has also informed members of the Company to register their email addresses with the Company through notice published in the newspapers on August 26, 2020 in "Mint" (All Edition) in English & "Pioneer" (Delhi Edition) in Hindi.

Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.pnbfinanceandindustries.com and on the website of NSDL <https://www.evoting.nsdl.com>

3. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013("Act") with respect to item no. 3, 4 and 5 forms part of the notice. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and secretarial standard on general meetings in respect of director/statutory auditor seeking appointments /re-appointment at the AGM are provided in **Annexure A** to this notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2020 to September 30, 2020 (both days inclusive) for the purpose of payment of dividend. The cut-off date for determining the members who are entitled to vote through remote e-voting or voting at the meeting through VC is September 23, 2020.
5. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. However, MCA vide its circular dated April 08, 2020 has explained that as AGM will be conducted through VC or OAVM, physical presence of members in any case will be dispensed with, therefore there is no requirement of appointment of proxies by members.

Further, in alignment with the MCA circulars, the SEBI has also dispensed the requirement of sending proxy forms under Regulation 44 (4) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

Accordingly Company is not providing the facility of appointment of proxies by members for this AGM.

6. Corporate members intending to attend the AGM shall send certified true copy of the Board resolution to the Company through physical or electronic mode, authorizing their representative to attend and vote through remote e voting or for participation and voting in the meeting through VC.

Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending request from their registered email address mentioning their name, DP ID, Client ID/folio number, self-attested PAN, mobile number at pnbfinanceindustries@gmail.com from September 18, 2020 (9:00 a.m. IST) to September 25, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM and may have to allow camera access during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Members, who have not registered themselves as speaker shareholder and wish to raise queries can post their questions in chat box option during AGM and the same will be answered by the Company within 7 days from the date of AGM through email at the registered email address of the member.
8. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted or require information about accounts can send in their questions/comments in advance by sending an email at pnbfinanceindustries@gmail.com during the period starting from September 18, 2020 (9:00 a.m. IST) to September 25, 2020 (5:00 p.m. IST) mentioning their name, demat account no./Folio no., e-mail Id, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
9. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts and Arrangements in which directors are interested will be available for inspection in electronic mode for the members. Members who wish to inspect the documents are requested to send an email to pnbfinanceindustries@gmail.com mentioning their name, folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.

10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting by the first holder.

11. The Dividend recommended by the Board of Directors, if declared at the AGM, will be payable to those members whose names appear in the Register of Members on the record date fixed for the purpose i.e. September 23, 2020 in respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

In accordance with the SEBI circular dated May 12, 2020, Company has endeavoured to obtain bank accounts details of members for payment of dividend through electronic mode through notice published by the Company on August 26, 2020 in "Mint" (All Edition) in English & "Pioneer" (Delhi Edition) in Hindi. Dividend warrant of the members, whose bank accounts details are not registered with the Company for ECS facility, shall be dispatched upon normalisation of postal services.

Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of bank account details to their respective depository participant(s).

We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.

12. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholder w.e.f April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates members are requested to refer to the Finance Act, 2020 and amendment thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to pnbfinanceindustries@gmail.com by September 25, 2020 (5:00 p.m. IST) Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate,

Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to pnbfinanceindustries@gmail.com. The aforesaid declarations and documents need to be submitted by the shareholders by September 25, 2020 (5:00 p.m. IST)

13. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent- Skyline Financial Services (P) Ltd.
14. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant. Members holding shares in physical form are required to submit their PAN details to Registrar and Share Transfer Agent.
15. Pursuant to the provisions of Section 124 of the Act, and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has been unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF authority. In terms of above provisions, such amount of unclaimed dividend and shares become due for transfer to the IEPF on September 03, 2020. Details of shares transferred and due to be transferred to IEPF authority are available on the website of the Company. Therefore, all the shareholders are requested to claim the unpaid dividend amount from the Company, if any.
16. Members may note that shares as well as unclaimed dividend transferred to IEPF authority can be claimed. Concerned members are advised to visit the weblink: <http://www.iepf.gov.in/> and/or Company's website: www.pnbfinanceandindustries.com for the procedure to claim the shares and dividend thereon.
17. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of transmission or transposition of securities. In view of this and to avail benefits of dematerialisation and to eliminate risks associated with physical shares, members are advised to dematerialise shares held by them in physical form.
18. In terms of Section 72 of the Act, the shareholders can exercise their right to nominate any person in whom the securities held by such shareholder shall vest in the event of the death of such shareholder. Members who have not yet registered their nomination are requested to submit the required form (Form no. SH13) to their

DP in case shares are held in demat form and to RTA in case shares are held in physical form.

19. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 3

M/s Awatar & Co., Chartered Accountants (FRN: 000726N), were appointed as Statutory Auditors of the Company by the Members at the 120th Annual General Meeting (AGM) of the Company held on September 22, 2015 to hold office as Statutory Auditors from the conclusion of 120th AGM till the conclusion of 125th AGM of the Company to be held in the year 2020.

Their present term gets completed on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

M/s Awatar & Co., statutory auditors have conducted the statutory audit of the company from FY 2015-16 to FY 2019-20 and their performance was found to be satisfactory.

Statutory Audit of the first term starting from Financial Year 2015-16 up to 2019-20 was conducted by Mr. Sanjay Agarwal (Membership No. 087786) partner of M/s Awatar & Co., Chartered Accountants (FRN: 000726N). Pursuant to Section 139(3) of the Act, it is proposed to rotate the auditing partner and conduct audit of the Company for another term of five year form other partner of M/s Awatar & Co., i.e. Mr. Brijendra Agrawal (Membership No. 087787).

Other requisite details, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Annexure A to this Notice.

The Board of Directors of the Company on the recommendation of the Audit Committee, recommended for the approval of the Members, the re-appointment of M/s Awatar & Co., Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 130th AGM of the Company.

M/s Awatar & Co., have consented to the aforesaid appointment and confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends the resolution set out in Item no. 3 for your approval through ordinary resolution.

Item no. 4

Mr. Govind Swarup (DIN: 00003145), was appointed as an Independent Director of the Company with effect from February 06, 2015 and he hold the office as an Independent Director of the Company upto February 5, 2020.

The Board of Directors based on the performance evaluation of Mr. Govind Swarup and pursuant to the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Govind Swarup would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director.

A brief profile of Mr. Govind Swarup and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings (“SS-2”) , issued by the Institute of Company Secretaries of India and Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in **Annexure A** to this Notice.

Mr. Govind Swarup is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mr. Govind Swarup that he meets the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of Listing Regulations and comply with Rule 6 of the Companies (Appointment and Qualification of Director) Rules ,2014

In terms of Section 160 of the Act, the Company has received a notice in writing from a member of the Company proposing the candidature of Mr. Govind Swarup to be re-appointed as an Independent Director.

In the opinion of the Board, Mr. Govind Swarup fulfils the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations.

Accordingly, the Board of Directors recommends to the shareholders re-appointment of Mr. Govind Swarup as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Copy of draft letter of appointment of Mr. Govind Swarup as setting out term and condition will be available for inspection during the business hours at the registered office of the Company. Mr. Govind Swarup is interested in the resolution set out at item no. 4 of the notice with regard to his re-appointment.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set out at item no. 4 of the notice for approval by the members through special resolution.

Item no. 5

The Board of Directors of the Company (“the Board”) at its meeting held on August 27, 2020, upon recommendation of Nomination & Remuneration Committee and subject to approval of members, and Reserve Bank of India (RBI) as per the notification No. DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 appointed Ms. Shweta Saxena (DIN: 03120958) as Whole time Director (WTD) for a period of 5 (five) years with effect from August 27, 2020.

Ms. Shweta Saxena is associated with the Company as a Company Secretary since 2008. She is having more than 15 years of experience in corporate law and secretarial matters. Considering her long association with the Company and her insight knowledge of corporate law, the appointment of Ms. Shweta Saxena as WTD of the Company would be beneficial to the Company.

Details of remuneration payable to Ms. Shweta Saxena is given in the resolution set out at item no. 5 of the notice and other terms and conditions will be as set out in her appointment letter as Company Secretary dated July 28, 2008 and the Board may alter and vary the terms and conditions and other benefits of the said appointment and remuneration in line with the Company’s policy and as may be acceptable to Ms. Shweta Saxena, subject to the same not exceeding the limit specified under Section 197 and Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

It is proposed to seek members’ approval for the appointment of and remuneration payable to Ms. Shweta Saxena as a Whole time Director of the Company, in terms of the applicable provisions of the Act.

She has also given a notice in writing under Section 160 of the Companies Act, 2013, proposing her candidature for the appointment in the capacity of Whole Time Director of the Company.

Ms. Shweta Saxena satisfies all the other conditions set out in Schedule V to the Act and she is not disqualified from being appointed as Director in terms of Section 164 of the Act. Copy of letter of appointment dated July 28, 2008 of Ms. Saxena as Company Secretary setting out terms and conditions will be available inspection during the business hours at the registered office of the Company.

A brief profile of Ms. Shweta Saxena and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in **Annexure A** to this Notice.

PNB FINANCE AND INDUSTRIES LIMITED

Ms. Shweta Saxena, being proposed director and Company secretary of the Company is interested in the resolution set out at Item No. 5 of the Notice.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set out at item no. 5 of the notice for approval by the members through ordinary resolution.

By order of the Board of Directors
For **PNB Finance and Industries Limited**

Shweta Saxena
Company Secretary
Membership No.: A18585

Date: August 27, 2020

Place: New Delhi

Registered Office:

1st Floor, Express Building, 9-10,

Bahadur Shah Zafar Marg, New Delhi-110002

CIN: L65929DL1947PLC001240 Tel: +91-7303495375

Website: www.pnbfinanceandindustries.com

Email: pnbfinanceindustries@gmail.com

Annexure A

[Details of statutory auditors seeking re-appointment as required under the SEBI \(Listing Obligations and Disclosure Requirements\) Regulations, 2015](#)

Item No. 3

Statutory Auditor Firm	M/s Awatar & Co., Chartered Accountants (FRN: 000726N)
Auditing Partner	Mr. Brijendra Agrawal having Membership No. 087787
Proposed fees payable	₹ 60,000/- plus applicable taxes and reimbursement of out of pocket Expenses at the actuals, if any. The Board may revise the fee payable to the Statutory Auditors, as per the recommendation of the Audit Committee, as may be mutually agreed with the Statutory Auditors of the Company
Basis of recommendation for appointment	The recommendation of the re-appointment of M/s Awatar & Co, as statutory auditors of the Company is made after reviewing and monitoring the auditor's independence and performance and effectiveness of audit process and found M/s Awatar & Co., suitable for reappointment as statutory auditors of the Company.
Credentials of the statutory auditor(s)	M/s Awatar & Co., was established in the year 1977 having head office at New Delhi and associates in all important towns in India. They are rendering various types of professional services with the assistance of adequately trained and experienced team of employees. Apart from statutory audit, the firm also has expertise in other allied areas like internal audits, concurrent audits, special audits, taxation and tax Planning, management consultancy, review and revision of systems and procedures, company law services, services to public trusts, financial services, share valuation, independent professional directorships etc.
Terms of appointment	The second term as Statutory Auditors of the Company will commence w.e.f. ensuing 125 th AGM for a period of 5 years, and other terms of appointment are as may be agreed to by the Board of Directors.

PNB FINANCE AND INDUSTRIES LIMITED

Details of directors seeking re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings

Item No. 4

Name of director	Mr. Govind Swarup (DIN: 00003145)
Date of birth	January 20, 1951 (Age: 69 Years)
Date of first appointment on Board	June 29,1984
Qualification	A Doon School Alumnus, holds engineering degree from Trinity College, London.
Expertise in specific functional area	He owns controls and manages a number of companies primarily the sugar and allied companies. His command over corporate laws gives him an extra edge.
Directorship on other Boards as on August 27,2020	<ol style="list-style-type: none"> 1. Meenakshi Industries And Finance Private Limited 2. Harsha Dairies Private Limited 3. Kalpataru Botanical Gardens Private Limited 4. SVP Industries Limited 5. Mansurpur Sale & Services Private Limited 6. Gomateshwar Investments Private Limited 7. Jacaranda Corporate Services Limited 8. Ingenuity Gaming Private Limited 9. Media Run Digital Private Limited 10. Ingenuity E Services Private Limited 11. Ishir Digital Private Limited 12. Pearl Beverages Limited
Membership(s)/chairmanship(s) of committees of other Companies as on August 27,2020	Nil
Relationship with other directors/ manager/KMP's	None
Number of shares held in the Company as on August 27,2020	Nil
Number of board meetings attended during the year	4
Terms and conditions of re-appointment	As per the resolution at item no. 4 of the notice convening this meeting read with explanatory statement thereto
Remuneration last drawn	As per his entitlement to sittings fees
Remuneration proposed to be paid	Sitting fees as disclosed in report of corporate governance forming part of Annual report
Summary of performance evaluation	The Nomination and Remuneration Committee and Board has evaluated the performance of Mr. Govind Swarup keeping in view the board evaluation mechanism and found performance of Mr. Govind Swarup to be good and satisfactory

PNB FINANCE AND INDUSTRIES LIMITED

Details of directors seeking appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings

Item No. 5

Name of director	Shweta Saxena
Date of birth	March 02, 1981 (39 Years)
Date of first appointment on Board	August 27, 2020
Qualification	B.Com(H), Company Secretary, LLB, PGDBA (Finance)
Expertise in specific functional area	Corporate Law, Secretarial and Finance
Directorship on other Boards as on August 27, 2020	1. Arth Udyog Limited 2. Times Journal India Limited 3. Innovative Mediquip Private Limited 4. Vasuki Properties Limited 5. Times Digital Limited 6. Kanchanmani Investments And Finance Private Limited 7. Rajdhani Printers Ltd 8. Fourth Estate Limited 9. Artee Viniyoga Limited
Membership(s)/chairmanship(s) of committees of other Companies as on August 27, 2020	Nil
Relationship with other directors/manager/KMP's	Shweta Saxena is Company Secretary and Compliance Officer of the Company since 2008.
Number of shares held in the Company as on - August 27, 2020	Nil
Number of board meetings attended during the year	NA
Terms and conditions of appointment	As per the resolution at item no. 5 of the notice convening this meeting read with explanatory statement thereto
Remuneration last drawn	NA
Remuneration proposed to be paid	As per the resolution at item no. 5 of the notice convening this meeting read with explanatory statement thereto
Justification for appointment	Ms. Shweta Saxena is associated with the Company as Company Secretary since 2008. She is having more than 15 years of experience in corporate and secretarial matters. Due to her insight knowledge of corporate law and long association with the Company it is proposed to appoint of Ms. Shweta Saxena (DIN- 03120958) as Whole-time Director of the Company.

Annexure B

Notes on attending AGM through Video Conferencing (VC), Remote E Voting and Voting at AGM

A. Instructions for attending AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) are as under:-

- Members will be able to attend the AGM through VC / OAVM at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN No. 113728 of the Company. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Note. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
- Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis.
- Members are encouraged to join the AGM through personal computers / laptops for better user experience. Also, Members will be required to have stable internet / broadband connection to avoid any disturbance during the meeting. Please note that Members joining the AGM through mobile devices, tablets or through personal computers / laptops connected via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate the aforesaid glitches.

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with the voting by electronic means.

B. Instructions for E-Voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned below for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. The Members, who have cast their vote prior to the meeting by remote e-voting may also attend the meeting but shall not be entitled to vote again at the meeting. Further, votes once cast either by way of remote e-voting or at the AGM cannot be changed.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

C. Instructions for Remote Electronic Voting (Remote E-voting) are as under:-

1. In compliance with the provisions of Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the Secretarial Standard No. 2 on General Meetings, the Company is providing remote e-voting facility to all its Members to enable them to cast their vote on the matters listed in the Notice by electronic means and business may be transacted through such voting. The Company has engaged the services of the NSDL to provide the e-voting facility.
2. The e-voting period commences on September 26, 2020 at 09:00 A.M. and ends on September 29, 2020 at 05:00 P.M. The e-voting module shall be disabled by NSDL for voting thereafter.
3. The voting rights of Members shall be in proportion to the amount paid-up on the total number of shares held by the respective member with the total share capital issued by the Company as on the cut-off date i.e. September 23,2020. A member as on the cut-off date shall only be entitled for availing the remote e-voting facility or vote, as the case may be, at the AGM.
4. Mr. Balraj Sharma of M/s Balraj Sharma & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. The result of the voting will be announced within forty eight (48) hours after the conclusion of the meeting on the Company's website www.pnbfinanceandindustries.com and communicated to the Stock Exchange.
6. In accordance with the Applicable Circulars, the VC/OAVM will have a capacity to allow at least 1000 members to participate in the AGM and such participation shall be on a first-come-first-served basis. However, please note that pursuant to the Applicable Circulars, large shareholders (i.e shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, auditors, etc. may be allowed to attend the meeting without restriction on account of first-come-first served principle.
7. The stepwise instructions for shareholders for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to balrajsharmafcs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre or Ms. Soni Singh at evoting@nsdl.co.in

D. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to pnbfinanceindustries@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to pnbfinanceindustries@gmail.com
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

By order of the Board of Directors
For **PNB Finance and Industries Limited**

Place: New Delhi
Date: August 27, 2020

Shweta Saxena
Company Secretary
Membership No.: A18585

Registered Office:
1st Floor, Express Building, 9-10,
Bahadur Shah Zafar Marg, New Delhi-110002
CIN: L65929DL1947PLC001240 Tel: +91-7303495375
Website: www.pnbfinanceandindustries.com
Email: pnbfinanceindustries@gmail.com

BOARD'S REPORT

Dear Members,

Your directors feel immense pleasure in presenting the 125th Annual Report of PNB Finance and Industries Limited (“the Company”) together with financial statements (standalone and consolidated) and auditors’ report thereon for the financial year ended March 31, 2020.

Financial performance

The standalone and consolidated financial statements for the financial year ended March 31, 2020, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The performance figures of the Company during the year under review and those reported for the corresponding previous year are as under:

(₹ in Lakhs)

Particulars	Standalone results		Consolidated results	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Total income	1,28.28	1,212.84	1,651.69	1,842.18
Total expenditure	118.06	58.80	121.30	61.58
Exceptional items-interest realized on loan	-	149.05	-	149.05
Profit/(loss) before tax	1,210.22	1,303.09	1,530.39	1,929.65
Less: Current tax	271.54	203.01	348.10	300.15
MAT credit entitlement used	(109.98)	-	(132.73)	-
Deferred tax charge/(credit)	0.07	28.48	0.07	28.48
Profit/(loss) after tax	1,048.59	1,071.50	1,314.94	1,600.74

During the year under review, your Company has not carried on any business activity. It has only invested its surplus funds in debt based mutual funds, fixed deposits of scheduled banks, corporate deposits of top rated NBFC’s, government bonds and equity shares of listed or non-listed companies.

The consolidated profit after tax for the financial year 2019-20 is ₹ 1314.94 lakh, out of which ₹ 266.35 lakh relates to its subsidiary companies, amounting 20.26 % of the consolidated profit after tax.

Material changes and commitments affecting the financial position between the end of the financial year and date of this report

- Independent director resignation: Mr. Mohit Jain has resigned from the directorship w.e.f. August 14, 2020.
- Ms. Shweta Saxena, Company Secretary of the Company was appointed as an additional director

designated as Whole-Time Director of the Company for a term of 5 consecutive years effective from August 27, 2020, subject to the approval of Reserve Bank of India (RBI) as per the notification No.DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 and approval of the members of the Company in the ensuing Annual General Meeting.

Impact of Covid-19 on business operation

Global health calamity, pandemic Covid-19, has not only challenged the existence of humankind but also impacted the economy worldwide.

The pandemic which has started in last few months of the Financial Year 2020, still subsisting throughout the world. Indian economy and the corporate world are no longer spared from the fatal effect of Covid -19 forcing the Government to implement lock-downs on all economic activity.

Since major earning of the Company is yielded through investment in debt mutual funds, the risk of this pandemic is lesser on the Company comparative to Companies engaged in manufacturing, service and other industries.

Although Company has always taken prudent decisions for investment and redemptions, now considering the economic factors, your Company is taking investment and redemptions decisions even more cautiously to protect the interest of stakeholders of the Company.

The Company has also incorporated work from home culture as a part of working practice of the Company.

Your Company opine that adaptive management practice and expertise of the board of directors will be constructive to surpass this crisis and to safeguard the interest of all the stakeholders of the Company.

Dividend

Your directors have recommended a dividend of ₹ 0.60 per equity share of ₹ 10/- each for the financial year ended March 31, 2020, subject to the approval of members.

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 (“Act”) and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has been unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF authority. Accordingly, the Company has transferred the unclaimed dividend of ₹40671.30’ and 2684 shares to IEPF. The details are also available on the Company’s website at www.pnbfinanceandindustries.com

Reserves

The Board proposes to carry a sum of ₹ 20 lakh to general reserves of the Company and ₹ 205.10 lakh to special reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Public deposits

During the year under review, the Company has not accepted any public deposits and your Board of Directors have also passed the necessary resolution for non-acceptance of any public deposits during the financial year 2020-21.

Directors and key managerial personnel

Change in directors and key managerial personnel

Cessation

Mr. Mohit Jain ceased to be the director of the Company w.e.f August 14, 2020 due to his other professional commitments.

The Board places on record their deep appreciation for the valuable contribution made by him during his tenure as member of Board and Committee of the Company.

Mr. Ashwini Chopra was appointed as an additional director by the Board of Directors w.e.f. August 13, 2020 designated as an Independent Director for 5 consecutive years. However, Mr. Ashwini Chopra has informed the Board through his letter dated August 26, 2020 that due to unexpected developments in his prior professional commitments, it would not be possible for him to continue as a Director in the Company therefore Mr. Chopra has requested the Board to consider withdrawal of his association from the Company w.e.f August 27, 2020.

The Board places on record their appreciation for the valuable contribution made by him during his tenure as member of Board of the Company.

Reappointment

Mr. Govind Swarup (DIN: 00003145) was appointed as an independent director w.e.f. February 06, 2015 at the 120th Annual General Meeting of the Company (AGM) for a term of five years upto February 05, 2020. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the members by way of special resolution. Further, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Govind Swarup for the appointment in the capacity of Non-Executive Independent director of the Company, not liable to retire by rotation.

In the opinion of the Board, Mr. Govind Swarup possesses relevant integrity, expertise and experience to perform his role effectively.

Mr. Govind Swarup has also completed the registration with the Independent Directors Databank as per Rule 6 (1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”) however as per proviso of Rule (6) of the Rules, Mr. Swarup is exempted to pass the online proficiency self-assessment test.

Appointment

Ms. Shweta Saxena, Company Secretary of the Company was appointed as an additional director designated as Whole Time Director of the Company for a term of 5 consecutive years effective from August 27, 2020, subject to the approval of Reserve Bank of India (RBI) as per the notification No.DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 and approval of the members of the Company in the ensuing Annual General Meeting. Based on the recommendation of the Nomination and Remuneration Committee, her appointment as a WTD for a term of five years is proposed at the ensuing AGM for the approval of the members by way of ordinary resolution. Further, Ms. Shweta Saxena has also given a notice in writing under Section 160 of the Companies Act, 2013, proposing her candidature for the appointment in the capacity of Whole Time Director of the Company, not liable to retire by rotation.

Performance evaluation of the Board, its committees and directors

Pursuant to the provisions of Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) the Board has carried out annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its audit, nomination and remuneration, corporate social responsibility and stakeholders relationship committee. The manner in which the evaluation has been carried out has been explained in corporate governance report. The performance of the Board, individual directors and the committees on the basis of the criteria as set out has been found good.

Declaration by independent director(s)

All independent directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Number of meetings of the Board of directors

During the year under review, ten (10) meetings of the Board and one independent director’s meeting were duly convened and held. The gap between any two meetings of the Board of directors did not exceeded 120 days.

For details, please refer to the corporate governance report, which forms part of this Board report.

Familiarization program for independent directors

All new independent directors inducted into the Board familiarization program. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his role, function, duties and responsibilities. The formal letters of appointment and familiarization program for independent director are available on our website at www.pnbfinanceandindustries.com

Committees of the Board

In compliance with various requirements of the Act and Listing Regulations, your Board has constituted various board committees i.e. audit committee, nomination and remuneration committee, stakeholders relationship committee and corporate social responsibility committee. Detail of the constitution of these committees, which are in accordance with regulatory requirements, is available on the website of the Company viz. www.pnbfinanceandindustries.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of committee members therein form part of the corporate governance report annexed to this Board report.

Nomination and Remuneration Committee has formulated the nomination and remuneration policy, inter alia, for appointment and remuneration of the directors, key managerial personnel and other employees. The remuneration policy is available on Company's website: www.pnbfinanceandindustries.com.

Subsidiaries

As on March 31, 2020, the Company has two wholly-owned subsidiaries, Punjab Mercantile and Traders limited and Jacaranda Corporate Services Limited. Jacaranda Corporate Services Limited is material unlisted subsidiary as per Regulation 16(c) of Listing Regulations.

The Company has formulated a policy for determining 'Material' subsidiaries as approved by the Board and is available on the Company's website: www.pnbfinanceandindustries.com.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached as **Annexure-I** to this Board report.

Further, pursuant to the provisions of Section 136 of the Act, and Regulations 46 of the Listing Regulations, the financial statements of the Company, consolidated financial statements along with relevant documents and audited financial statements in respect of subsidiaries, are available on the website of the Company at www.pnbfinanceandindustries.com.

Management discussion and analysis report

In accordance with Regulation 34 of Listing Regulations, the management discussion and analysis report forms part of this Board report.

Risk assessment & minimization policy

Your Company has in place the process to identify and assess business risks and opportunities in the form of a Risk assessment & minimisation policy.

The main objective of this policy is to ensure safety of principal, high degree of liquidity while maximizing yield. Liquidity and preservation of capital are the paramount considerations. Yield is important but secondary to these objects.

In order to achieve the key objective, the policy establishes a structured and disciplined approach to risk management, in order to guide decisions on risk related issues.

As a matter of policy, the risks are assessed and steps as appropriate are taken to mitigate the same.

Extract of annual return

Pursuant to the provisions of Section 134(3)(a) and 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company in Form MGT-9 as at March 31, 2020 is annexed herewith as **Annexure-II** and is available on Company's website: www.pnbfinanceandindustries.com

Auditors

a) Statutory auditors

The Company has appointed M/s Awatar & Co., Chartered Accountants (FRN:000726N) as the auditors of the Company on September 22, 2015 to hold office from the conclusion of 120th Annual General Meeting till the conclusion of 125th Annual General Meeting of the Company.

Based on the recommendation of the Audit Committee, their re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the members by way of ordinary resolution.

Statutory Audit of the first term starting from Financial Year 2015-16 up to 2019-20 was conducted by Mr. Sanjay Agarwal (Membership No. 087786) partner of M/s Awatar & Co., Chartered Accountants (FRN: 000726N). Pursuant to section 139(3) of the Act, it is proposed to rotate the auditing partner and conduct audit of the Company for another term of five year from other partner of M/s Awatar & Co., i.e. Mr. Brijendra Agrawal (Membership No. 087787).

The Company has received certificate of eligibility from M/s Awatar & Co. in accordance with the provisions of the Act read with rules made thereunder

and a confirmation that they continue to hold valid peer review certificate as required under Listing Regulations.

The auditor's report does not contain any qualification, reservation or adverse remark and the notes on accounts read with the auditor's report are self-explanatory and therefore, do not call for any further comments or explanations.

b) Secretarial auditors

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24(A) of Listing Regulations, the Company has appointed M/s. Sakshi Mittal & Associates (CP No: 9460), Company Secretaries, to undertake the secretarial audit of the Company and Jacaranda Corporate Services Limited, material subsidiary of the Company.

The secretarial audit report does not contain any qualification, reservation or adverse remark. The secretarial audit report of the Company is annexed as **Annexure- III**.

Pursuant to Regulation 24(A) of Listing Regulations, the Company has also obtained annual secretarial compliance report from M/s Sakshi Mittal & Associates (CP No: 9460), Company Secretary in practice.

c) Internal auditors

M/s A.V. Ravindranath & Co, Chartered Accountants (FRN: 017483N) performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time.

During the year under review, the auditors of the Company had not reported any instances of offence involving fraud committed against the Company under Section 143(12) of the Act.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

Provisions relating to disclosure of particulars with respect to conservation of energy are not applicable on the Company and it has no information to be published regarding technology absorption. The Company has not carried on, during the period under report, any activity relating to exports and has not used or earned any foreign exchange.

Internal control system and their adequacy

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable accounting

standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company.

Corporate social responsibility (CSR)

The provisions pertaining to corporate social responsibility as prescribed under the Act are applicable to the Company. The CSR policy may be accessed on the Company's website: www.pnbfinanceandindustries.com.

Total CSR obligation of the Company for the financial year 2019-20 was ₹ 13.21 Lakhs and Company has contributed the same to the Times Foundation in the month of August 2020 towards its corpus funding.

Times Foundation is a registered society established vide Registration no. S/37742 dated 25.08.2000 under the Societies Registration Act, 1860. The Society has been set up to carry on the objects as also allowed as CSR activity in Schedule VII of the Act.

Times Foundation shall earmark this Corpus for application of income therefrom only for purposes which are directly relatable to a subject or subjects covered in Schedule VII of the Act, as amended/ clarified/elaborated from time to time, and is as permitted in General circular No. 21 of 2014, being No. 05/01/2014-CSR dated June 18, 2014 issued by the Government of India in the Ministry of Corporate Affairs.

Total CSR obligation of the Company for the financial year 2018-19 was ₹ 12.10 Lakhs which was contributed to the Times Foundation amounting to ₹ 2.18 Lakhs and to Bennett University amounting to ₹ 9.92 Lakhs towards its corpus funding in the Financial Year 2019-20.

Bennett University has utilised CSR donation for the financial year 2018-19 for general purposes towards the objectives of promoting higher education, infrastructure, research work, innovation and various other related activities for the furtherance of education by Bennett University.

CSR report with salient features of the policy is annexed as **Annexure-IV**.

Corporate governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India (hereinafter referred as "SEBI"). The Company has also implemented several best corporate governance practices as prevalent globally.

The report on corporate governance as stipulated under Schedule V of Listing Regulations, forms part of this Board report. The requisite certificate from M/s Sakshi Mittal & Associates, Company Secretaries confirming compliance

with the conditions of corporate governance as stipulated under the aforesaid Schedule V, is attached to this Board report as **Annexure- V**.

Particulars of employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are as follows:

No remuneration has been paid to the directors during the financial year 2019-20. Further, sitting fees paid to the directors during the year has been mentioned in the corporate governance report. Number of permanent employees in the Company are 2.

None of the employees draws remuneration in excess of the limits set out in the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015. The percentage increase in the median remuneration of employees in the financial year 2019-20 is 14.13 %.

The remuneration paid to all key managerial personnel was in accordance with the remuneration policy adopted by the Company. None of the employees holds equity shares of the Company and no employee is a relative of director or manager of the Company.

Name of the top 10 employees in terms of remuneration drawn during the financial year 2019-20

S. no.	Name of the employee & age (in years)	Designation and nature of employment	Remuneration received in financial year 2019-20 (₹ in lakh)	Educational qualifications	Experience (in years)	Date of commencement of employment	Previous employment	% increase in remuneration in the financial year 2019-20
1.	Shweta Saxena Age: 39	Designation: Company Secretary Nature: Permanent	20.13	B.Com(H), ACS, LLB, PGDBA (Finance)	15	July 28, 2008	Uniproducts India Limited	9.9
2.	Viveka Nand Jha Age: 41	Designation: CFO Nature: Permanent	15.73	B.Com(H), LLB, PGDBA (Finance)	17	July 27, 2009	Jubilant Industries Limited	20
3.	Vijay Kumar Bakshi	Designation: Manager Nature: Contractual	0.12	B.Com	30	N.A.	N.A.	N.A.

Vigil / whistle blower mechanism

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the Company has adopted a vigil mechanism policy. This policy available on Company's website: www.pnbfinanceandindustries.com

Related party transactions

There were no contracts or arrangements entered by the Company in accordance with provisions of Section 188 of the Act. Further In terms of Ind AS 24 related party disclosure including remuneration paid to KMP's and sitting fees paid to directors and loan given to the wholly owned subsidiary company in the ordinary course of business is disclosed in the notes no. 27 to the financial statements of the Company.

The policy on related party transactions is available on Company's website: www.pnbfinanceandindustries.com

Particulars of loans, guarantees and investment

The particulars of loans, guarantees and investments made by the Company are detailed in Note 24 and 27 to the Financial Statements.

Cost records

The requirement of maintenance of cost records under Section 148(1) of the Act are not applicable on the Company.

Regulatory orders

There are no significant/material orders passed by the regulators/courts which would impact the going concern status of the Company and its future operations.

The sexual harassment of women at work place (prevention, prohibition and redressal) Act, 2013

Since the Company has number of employees less than ten, it is not required to form committee for the redressal of complaints under the said Act.

Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2019-20 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory statement

The Company is regular in paying the annual listing fee to the exchange. The Company has diligently complied with all the applicable provisions of the listing regulations with the exchange.

Further, your Company continues to be registered as a Non-Banking Financial Company with the Reserve Bank of India.

The Company complies with all the applicable secretarial standards issued by ICSI.

Green initiative

In view of the Covid-19 pandemic, Ministry of Corporate Affairs (hereinafter referred as 'MCA') vide circulars dated May 5, 2020 allowed Companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) conducted during the calendar year 2020. Similarly Securities and Exchange Board of India (hereinafter referred as 'SEBI') has granted certain relaxation to listed entities for holding AGM vide its circular dated May 12, 2020.

In line with the above given circulars and guidelines issued by MCA and SEBI, Company is conducting 125th Annual General Meeting of the members through VC. The instructions of attending meeting through VC is provided in AGM notice.

Your Company has endeavoured to obtain email address of all members whose email addresses were not yet registered with the Company. Company has also published in e-newspapers, manner in which members of the Company can register their email addresses with the Company.

Electronic copies of Annual Report 2019-20, Notice of 125th Annual General Meeting and instructions slip will be sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose.

Pursuant to Section 108 of the Act read with rule 20 of Companies (Management and Administration) Rules, 2014, the Company is providing remote e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the notice. The instruction of remote e-voting is provided in the notice.

Acknowledgement

Your directors wish to place on record their sincere thanks to the bankers, the stakeholders and the employees for their continued support throughout.

by Order of the Board of Directors
for PNB Finance and Industries Limited

Govind Swarup

Director
DIN: 00003145

Place: New Delhi
Date: August 27, 2020

Saumya Agarwal

Director
DIN: 07517809

PNB FINANCE AND INDUSTRIES LIMITED

Annexure I

Form AOC - 1

(Pursuant to First proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part "A" Subsidiaries

(Information in respect of each subsidiary to be presented with amount in ₹ Lakhs)

S. no.	Particulars		
1	Name of subsidiary	Jacaranda Corporate Services Limited	Punjab Mercantile and Traders Limited
2	The date since when subsidiary was acquired	May 20,2006	June 21,1972
3	Reporting period of the subsidiary	From April 01, 2019 to March 31, 2020	From April 01, 2019 to March 31, 2020
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	N.A.	N.A.
5	Share capital (₹ in lacs)	20.00	5.00
6	Reserves and surplus (₹ in lacs)	99,352.51	8,935.03
7	Total assets (₹ in lacs)	1,26,737.99	11,392.62
8	Total liabilities (₹ in lacs)	27,365.48	2,452.59
9	Investments (₹ in lacs)	1,26,624.13	11,390.39
10	Turnover/Total income# (₹ in lacs)	325.30	3.9
11	Profit (+) /loss (-) before taxation (₹ in lacs)	322.37	-2.20
12	Provision for taxation(₹ in lacs)	53.81	0.01
13	Profit (+) /loss (-) after taxation (₹ in lacs)	268.56	-2.21
14	Proposed dividend (₹ in lacs)	NIL	NIL
15	% of shareholding	100%	100%
	# In absence of turnover, total income comprises other income only is being furnished.		
16	Name of subsidiary which have been liquidated or sold during the year	NIL	

As per our report of even date attached

For Awatar & Co.
Chartered Accountants
Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sanjay Agrawal
Partner
Membership No. 087786

Govind Swarup
Director
DIN : 00003145

Mohit Jain
Director
DIN : 01315482

Place: New Delhi
Date: June 26, 2020

Shweta Saxena
Company Secretary
Membership No. A18585

Viveka Nand Jha
Chief Financial Officer
PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

Annexure II

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

CIN	L65929DL1947PLC001240
Registration Date	19.05.1894
Name of the Company	PNB Finance and Industries Limited
Category/Sub-category of the Company	Company limited by shares/Indian Non- Government Company
Address of the Registered office & contact details	1 st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002 Contact: 7303495375
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any	Skyline Financial Services Private Limited D-153/A, 1 st Floor, Okhla Industrial Area, Phase- I, New Delhi-110020 Tel : +91-11- 26812682/83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S. no.	Name and description of main products/services	NIC code of the product/service	% to total turnover of the Company
-----NIL-----			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. no.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Punjab Mercantile and Traders Limited 1 st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002	U52110DL1972PLC006380	Subsidiary	100%	2(87)
2	Jacaranda Corporate Services Limited 1 st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002	U93098DL2006PLC148520	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)

i) Category-wise share holding

Category of shareholders	No. of shares held at the beginning of the year (as on April 01, 2019)				No. of shares held at the end of the year (As on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A PROMOTERS	No promoters in the Company				No promoters in the Company				
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies corporate	-	-	-	-	-	-	-	-	-

PNB FINANCE AND INDUSTRIES LIMITED

Category of shareholders	No. of shares held at the beginning of the year (as on April 01, 2019)				No. of shares held at the end of the year (As on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter	-	-	-	-	-	-	-	-	-
B PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	0	50,451	50,451	1.58	0	50,449	50,449	1.58	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	0	50,451	50,451	1.58	0	50,449	50,449	1.58	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	21,67,376	20,146	21,87,522	68.36	21,67,841	20,140	21,87,981	68.37	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) holding nominal share capital upto ₹ 1 lakh	86,031	15,395	1,01,426	3.17	84,191	13,173	97,364	3.04	(0.13)
ii) holding nominal share capital in excess of ₹ 1 lakh	8,04,271	0	8,04,271	25.13	8,05,873	0	8,05,873	25.18	0.05
c) Others-									
1. Non Resident Indians	21,662	100	21,762	0.68	22,049	100	22,149	0.69	0.01
2. Trust	-	-	-	-	-	-	-	-	-
3. HUF	6,713	0	6,713	0.21	6,419	0	6,419	0.20	(0.01)
4. Others (IEPF)	27,855	0	27,855	0.87	29,765	0	29,765	0.93	0.06
Sub-Total (B) (2)	31,13,908	35,641	31,49,549	98.42	31,16,138	33,413	31,49,551	98.42	-
Total public shareholding (B)= (B) (1) + (B) (2)	31,13,908	86,092	32,00,000	100	31,16,138	83,862	32,00,000	100	-
C Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	31,13,908	86,092	32,00,000	100	31,16,138	83,862	32,00,000	100	-

ii) **Shareholding of promoter: Not applicable**

iii) **Change in promoters' shareholding (please specify, if there is no change): Not applicable**

iv) **Shareholding pattern of top ten shareholders:**

(Other than directors, promoters and holders of GDRs and ADRs):

S. no.	Name of the shareholder	Shareholding at the beginning of the year (As on April 1, 2019)		Shareholding at the end of the year (As on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Artee Viniyoga Limited	8,01,710	25.05	8,01,710	25.05
2	Ashoka Viniyoga Limited	6,51,660	20.37	6,51,660	20.37
3	Camac Commercial Company Limited	5,20,000	16.25	5,20,000	16.25
4	Samir Jain	5,18,827	16.21	5,18,827	16.21
5	Meera Jain	1,96,000	6.13	2,73,604	8.55
6	Combine Holding Limited	1,61,437	5.05	1,61,437	5.05
7	Shri Parasram Holdings Pvt. Limited	22,009	0.69	22,009	0.69
8	Nayan Arun Jagjivan	8,699	0.27	20,125	0.63
9	State Bank of India	20,000	0.63	20,000	0.63
10	State Bank of India	20,000	0.63	20,000	0.63

Notes:

- Top 10 shareholders are on the basis of their holdings as per PAN no.
- As on 31st March 2019, Ms. Indu Jain held 77,604 shares. Pursuant to an inter se transfer among Persons Acting in Concert (PAC's) i.e. Gift of 77,604 shares from Ms. Indu Jain to Ms. Meera Jain on January 30, 2020, shareholding of Ms. Meera Jain increased to 2,73,604 shares as on March 31, 2020.
- Shareholding of Mr. Nayan Arun Jagjivan has increased 0.36% due to purchase of shares. Other than above stated there has been no increase/decrease in shareholding of top ten shareholders during the year.

v) **Shareholding of directors and key managerial personnel:**

S. no.	Shareholding of each director and each key managerial personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	None of the directors and KMP's hold shares in the Company			
2	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	None of the directors and KMP's hold shares in the Company			
3	At the end of the year	None of the directors and KMP's hold shares in the Company			

PNB FINANCE AND INDUSTRIES LIMITED

V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment: Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. no.	Particulars of remuneration	Name of manager- Mr. Vijay Kumar Bakshi	Total amount (in ₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,000	12,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat equity	-	-
4	Commission - as % of profit - others	-	-
5	Others	-	-
	Total (A)	12,000	12,000
	Ceiling as per the Act	5% of the net profit	

B. Remuneration to other directors (in ₹)

S. no	Particulars of remuneration	Name of directors					Total amount
		Govind Swarup	Mohit Jain	Rakesh Dhamani	Ashish Verma	Saumya Agarwal	
1	Independent directors						
	Fee for attending board /committee meetings	2,80,000	-	-	1,60,000	1,00,000	5,40,000
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	2,80,000	-	-	1,60,000	1,00,000	5,40,000
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2,80,000	-	-	1,60,000	1,00,000	5,40,000
	Total managerial remuneration	2,80,000	-	-	1,60,000	1,00,000	5,40,000
	Overall ceiling as per the Act	Maximum sitting fee of 1,00,000 per Board/ Committee meeting					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(in ₹)

S. no	Particulars of remuneration	Key Managerial Personnel		
		Shweta Saxena -CS	Viveka Nand Jha -CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,13,252	15,72,648	35,85,900
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission - as % of profit - others	-	-	-
5	Others	-	-	-
	Total	20,13,252	15,72,648	35,85,900

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No penalties, punishment and compounding of offences has been imposed on Company, its directors and its officers.

Annexure III

FORM NO. MR-3 SECRETARIAL AUDIT REPORT For the financial year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

PNB Finance and Industries Limited

1st Floor, Express Building,
9-10, Bahadur Shah Zafar Marg,
Delhi New Delhi 110002

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **PNB Finance and Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **PNB Finance and Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the minute books, forms and returns filed and other records maintained by **PNB Finance and Industries Limited** for the financial year ended on March 31, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) Other laws applicable to the Company :-
 - a. Non- Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
 - b. All other compliances related to NBFC applicable to the Company.

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with The Calcutta Stock Exchange
- III. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We further report that the Board of Directors of the Company is constituted with all Independent Directors. No changes in the composition of the Board of Directors took place during the period under review

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the period under review, all the decisions taken in the Board meeting were carried out unanimously.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, as explained and represented by the management, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., having a major bearing on the Company's affairs.

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

Place: Ghaziabad
Dated: 24/06/2020

For Sakshi Mittal & Associates
Practicing Company Secretary
Membership No.8369
CP No. 9460
UDIN:F008369B000373734

"ANNEXURE A"

To
The Members
PNB Finance and Industries Limited
1st Floor, Express Building,
9-10, Bahadur Shah Zafar Marg,
Delhi New Delhi 110002

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company

Place: Ghaziabad
Dated: 24/06/2020

For Sakshi Mittal & Associates
Practicing Company Secretary
Membership No.8369
CP No. 9460
UDIN:F008369B000373734

PNB FINANCE AND INDUSTRIES LIMITED

Annexure IV

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

S. no.	Particulars	Remarks
1.	A brief outline of the Company's Report On Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR policy with primary focus on education, healthcare, women empowerment and sports. Besides these focus areas, the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR policy of the Company can be viewed on www.pnbfinanceandindustries.com
2.	The composition of the CSR Committee	Mr. Govind Swarup– Non Executive Independent Director Mr. Ashish Verma– Non Executive Independent Director *Mr. Mohit Jain– Non Executive Independent Director **Ms. Shweta Saxena-Whole Time Director
3.	Average net profit of the Company for last three financial years	₹ 660.30 lakhs
4.	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 13.21 lakhs
5.	a) Total amount to be spent for the financial year 2019-20 b) Amount unspent for the financial year 2019-20, if any; c) Manner in which the amount spent during the financial year is detailed below:	₹ 13.21 lakhs ₹ 13.21# lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI. no	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakh)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (₹ in lakh)	Cumulative expenditure upto to the reporting period (₹ in lakh)	Amount spent: Direct or through implementing agency
1.	Education Projects	Schedule VII-item- II (Promoting education)	Greater Noida, Uttar Pradesh	9.92	9.92	9.92	Through implementing agency (Bennett University)
Total				9.92	9.92	9.92	

* Resigned w.e.f August 14, 2020

**Joined w.e.f August 27, 2020

Notes:

- The Company has contributed ₹ 34.29 lakhs towards CSR obligation of financial year 2016-17 and 2017-18 to Times Foundation in the month of June 2019.
- The Company has contributed ₹ 12.10 lakhs towards CSR obligation of financial year 2018-19 out of which ₹ 2.18 Lakhs was contributed to the Times Foundation and ₹ 9.92 Lakhs to Bennett University in the month of June 2019.
- # The Company has contributed ₹ 13.21 Lakhs to Times Foundation in the month of August 2020 and the same is unspent as on date of report.
- Times Foundation has informed the Company that the society is evaluating the projects which meet the eligibility criteria as per CSR provisions and will implement the same in the coming years.
- The CSR Committee hereby confirms that the implementation and monitoring of CSR policy will be in compliance with CSR objectives and policy of the Company from time to time.

by Order of the Board of Directors
for **PNB Finance and Industries Limited**

Govind Swarup
Director
DIN: 00003145

Saumya Agarwal
Director
DIN: 07517809

Place : New Delhi
Date : August 27, 2020

Annexure V

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

Corporate Governance has indeed been an integral part of the way we have done business for several decades. This emanates from our strong belief that strong governance is integral for creating value on a sustainable basis. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

1. BOARD OF DIRECTORS

a) Composition and meetings of directors

The composition of the Board is in conformity with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("herein referred to as SEBI Listing Regulations") as well as the Companies Act, 2013.

The Corporate Governance philosophy of the Company establishes that the Board's independence is essential to bring objectivity and transparency in the management and in the dealings of the Company. As on March 31, 2020, the Board consists of five directors. All of them are non-executive independent directors.

During the financial year under review, the Board met ten times on April 10, 2019, April 26, 2019, May 28, 2019, July 04, 2019, July 10, 2019, August 07, 2019, August 27, 2019, November 21, 2019 December 10, 2019 and February 11, 2020. The gap between any two meetings did not exceeded 120 days.

Meetings dated April 10, 2019, April 26, 2019, July 04, 2019, July 10, 2019, August 07, 2019, August 27, 2019 were chaired by Mr. Mohit Jain, non-executive independent director of the Company and the Board dated May 28, 2019, November 21, 2019, December 10, 2019 and February 11, 2020 were chaired by Mr. Govind Swarup, non-executive independent director of the Company

The name and categories of the directors, their attendance at the Annual General Meeting and Board meeting held during the financial year 2019-20 and also their other directorship/chairmanship held in Indian public companies, listed companies and membership/ chairmanship of various Board committees of other Indian public companies as on March 31, 2020 are as under:

Name of director	Attendance at		Number of other directorships in other public companies [#]	Directorship in other listed companies	Number of committee membership in other companies	Number of committee chairmanship in other companies
	Board meeting (Total 10 meetings held)	124th AGM held on September 17, 2019				
Non-Executive Independent Directors						
Mr. Govind Swarup	4	Yes	3	0	0	0
Mr. Mohit Jain	8	No	4	0	0	0
Mr. Rakesh Dhamani	9	Yes	4	0	0	0
Mr. Ashish Verma	4	No	1	0	0	0
Ms. Saumya Agarwal	5	Yes	1	0	0	0

- (i) As required under Regulation 26 of the SEBI Listing Regulations, the disclosure includes membership/ chairmanship of the audit committee and stakeholders relationship committee in other Indian public companies (listed and unlisted).
- (ii) # Excludes directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

Key Skills, Expertise, and Core Competencies of the Board

The Board of the Company comprises of experienced and well learned members. These Directors are nominated on basis of well-defined selection criteria. The Nomination and Remuneration committee considers, inter-alia, key qualifications, skills, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director and ensures that the candidates identified for appointment.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board: Accountancy, Business marketing & management, Economics, Corporate management, Corporate Law, Finance, Taxation, Law and Investment Analyst.

Details of directors possessing such skills / expertise / competence.

Director	Skills / expertise / competence
Mr. Ashish Verma	Legal Expertise
Mr. Govind Swarup	Corporate Management
Mr. Mohit Jain*	Business Marketing & Management
Mr. Rakesh Dhamani	Finance, Taxation, Accountancy, Corporate Laws
Ms. Saumya Agarwal	Economics, Investment Analyst.
Ms. Shweta Saxena**	Corporate Laws

*Resigned w.e.f August 14, 2020

**Joined w.e.f August 27, 2020

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank

The Company issues formal letter of appointment to Independent directors in the manner as provided in the Companies Act, 2013 and SEBI Listing Regulations. The terms and conditions of appointment are disclosed on the website of the Company.

There is no relationship between the directors *inter-se*.

All Statutory and other important items/information including those envisaged in SEBI Listing Regulations, are regularly provided to the Board and the Committees thereof either as part of agenda papers well in advance of the Board meetings, or are tabled in the course of the Board meetings and/ or its Committees to enable the Board/ Committees to discharge their responsibilities effectively and to take informed decision.

b) Directors remuneration

The Non-executive directors, apart from receiving sitting fees for attending Board and committee meetings, do not have any other material pecuniary relationship or transaction with the Company. Non-executive directors were paid sitting fees of ₹ 20,000 for each board meeting and committee meetings attended by them.

The Company has not implemented any stock option scheme.

The details of remuneration paid to the Non-executive directors during the financial year 2019-20 are as follows:

Name of director	Sitting fee (in ₹)		
	Board meeting	Audit Committee meeting	Stakeholders Relationship Committee meeting
Mr. Govind Swarup	80,000	60,000	80,000
Mr. Mohit Jain*	NIL	NIL	NIL
Mr. Rakesh Dhamani*	NIL	NIL	N.A.
Mr. Ashish Verma	80,000	N.A.	60,000
Ms. Saumya Agarwal	1,00,000	N.A.	N.A.

N.A.- Not a member of committee

*Mr. Mohit Jain and Mr. Rakesh Dhamani had given letter of waiver of sitting fees for the Board/Committee meetings to the Company.

As on March 31, 2020, none of the director holds any shares in the Company.

c) Code of Conduct

The Company has formulated and implemented a code of conduct for all Board members and senior management personnel of the Company in compliance with Regulation 26(3) of SEBI Listing Regulations. It also includes the duties of independent director as laid down in Companies Act, 2013. The code is available on the Company's website: www.pnbfinanceandindustries.com

A declaration affirming compliance with the code of conduct by the members of the board and senior management personnel is given below:-

DECLARATION ON THE COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

In compliance with the provisions of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all the members of the Board and the senior management personnel have confirmed to and complied with the code of conduct during the year under review and that there has been no instance of violation of the code.

	Saumya Agarwal	Govind Swarup
	Director	Director
Place: New Delhi	DIN: 07517809	DIN: 00003145
Date: June 26, 2020		

d) Familiarization program for independent directors

The Company has formulated a policy to familiarize the independent directors of the Company with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Details of directors familiarization program is available on Company's website: www.pnbfinanceandindustries.com

e) Confirmation by the Board on fulfilment of independence of the independent director

The Board hereby confirms that, in the opinion of the Board, the independent directors and those who are proposed to be re-appointed at the Annual General Meeting, fulfils the conditions specified in the SEBI Listing Regulations and are independent of the management

2. COMMITTEES OF THE BOARD

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the Company, the Board has constituted following committees with distinct role, accountability and authority:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders Relationship Committee; and
- (d) Corporate Social Responsibility Committee.

Particulars of meeting of Board Committees held during financial year 2019-20 along with attendance of the members at such committee meeting(s) are detailed herein:

Committees of the Board	Meetings held	Meetings held			
		Govind Swarup	Mohit Jain	Rakesh Dhamani	Ashish Verma
Audit Committee	6	3	4	6	NA
Nomination and Remuneration Committee	2	2	1	2	NA
Stakeholders Relationship Committee	4	4	3	NA	3
Corporate Social Responsibility Committee	1	1	1	NA	1

- (i) NA- Not a member of the Committee
- (ii) Necessary quorum was present in the meetings.

Details of Board Committees are as mentioned herein:

a) AUDIT COMMITTEE

i) Composition

As on March 31, 2020, the audit committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Govind Swarup (Chairman), Mr. Mohit Jain and Mr. Rakesh Dhamani (members). All members of Audit Committee possess rich knowledge and expertise in financial and management fields.

However, on resignation of Mr. Mohit Jain, the Committee of the Company was reconstituted on August 27, 2020 and Ms. Shweta Saxena inducted as a member in place of Mr. Mohit Jain.

During the year under review, the Committee met Six (6) times i.e. on May 28, 2019, July 04, 2019, July 10, 2019, August 27, 2019, November 21, 2019 and February 11, 2020. The gap between any two Committee meetings did not exceeded 120 days. All the recommendations made by the Audit Committee have been accepted by the Board.

The Chairman of the Audit Committee, Mr. Govind Swarup was present at the Annual General Meeting held on September 17, 2019 to reply to the shareholders' queries. The Company Secretary acts as the Secretary of the Committee.

Minutes of each Audit Committee are placed before the Board for confirmation at its immediately succeeding meeting. Additionally, in compliance with requirements of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee reviews operations of subsidiary companies including their financial statements, significant related party transactions and statement of investments.

ii) Terms of reference:

The terms of reference of the Audit Committee include, *inter alia*, overseeing the Company's financial reporting process, internal control systems, reviewing the accounting policies and practices, reports of the Company's internal auditors and financial statements audited by the statutory auditors and reviewing financial and risk management policies. The Committee has the authority to investigate into or review any matter in relation to any items specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose they have full access to the information contained in the records of the Company and seek external advice, if necessary.

b) NOMINATION AND REMUNERATION COMMITTEE

i) Composition

As on March 31, 2020, the Nomination and Remuneration Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Govind Swarup as Chairman and Mr. Mohit Jain and Mr. Rakesh Dhamani as its members.

However, on resignation of Mr. Mohit Jain, the Committee of the Company was reconstituted on August 27, 2020 and Ms. Saumya Agarwal inducted as a member in place of Mr. Mohit Jain.

During the financial year ended March 31, 2020, the Committee met two (2) times i.e. on May 28, 2019 and February 10, 2020. The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on September 17, 2019 and the Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

The terms of reference of the Nomination and Remuneration Committee include:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and employees;
3. To devise a policy on Board diversity;
4. Formulation of criteria for evaluation of performance of independent directors and the Board;
5. Ensure that the Board comprises of a balanced combination of executive directors and non-executive directors and also the independent directors; and

6. Decide/ approve details of fixed components and performance linked incentives along with criteria.
7. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

c) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

(i) **Composition**

As on March 31, 2020, the Stakeholders Relationship Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Mohit Jain as Chairman and Mr. Govind Swarup and Mr. Ashish Verma as its members. Ms. Shweta Saxena, Company Secretary, is the compliance officer of the Company. During the year under review, four (4) Meetings of the Stakeholders Relationship Committee were held i.e. on May 28, 2019, August 19, 2019, November 20, 2019 and February 11, 2020.

However, on resignation of Mr. Mohit Jain, the Committee of the Company was reconstituted on August 27, 2020 and Mr. Rakesh Dhamani was appointed as a member and Chairman of the Committee in place of Mr. Mohit Jain.

(ii) **Brief terms of reference**

The terms of reference of the Stakeholders Relationship Committee include:

- 1) to review and redress the grievances of the shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- 2) to review measures taken for effective exercise of voting rights by shareholders;
- 3) to review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- 4) to review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant/ annual reports/ statutory notices by the shareholders of the Company.
- 5) To perform such other functions as may be necessary or appropriate for the performance of its duties.

(iii) **Investors' grievances received and resolved during the year**

During the year under review, the Company and the Registrar & Share Transfer Agent has received one complaint pertaining to investor related matters and the same has been attended and resolved to the satisfaction of the investor. There were no pending complaints as on March 31, 2020.

d) **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

(i) **Composition**

As on March 31, 2020, the Corporate Social Responsibility Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Govind Swarup as Chairman and Mr. Mohit Jain and Mr. Ashish Verma as its members. During the year under review, One (1) Meeting of the Corporate Social Responsibility Committee was held i.e. on March 16, 2020.

However, on resignation of Mr. Mohit Jain, the Committee of the Company was reconstituted on August 27, 2020 and Ms. Shweta Saxena inducted as a member in place of Mr. Mohit Jain.

(ii) **Brief terms of reference**

The CSR committee was set up to formulate and monitor the CSR policy of the Company. As part of its CSR Program, the Company intends to promote initiatives, briefly stated, that:

- ❖ are sustainable and create a long term impact/change;
- ❖ have specific and measurable goals in alignment with Company's philosophy;
- ❖ address the most deserving causes and beneficiaries; and
- ❖ are dynamic and responsive to the social environment and the company's business objectives.

The responsibilities of the CSR Committee include:

- ❖ Formulating and recommending to the Board of Directors, the CSR Policy indicating the activities to be undertaken by the Company in any year / block of years;
- ❖ Recommending the amount of expenditure to be spent on the CSR activities to be undertaken by the Company in any year / block of years;
- ❖ Formulating the annual CSR Budget and obtaining Board's approval thereto;
- ❖ Monitoring and reporting of the CSR activities to the Board from time to time;
- ❖ Reviewing the CSR Policy from time to time.

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2020 is given in the Board's report.

3. INDEPENDENT DIRECTORS' MEETING

During the year under review, the independent directors met one time on February 07, 2020, inter alia to:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4. PERFORMANCE EVALUATION

The Board has carried out annual performance evaluation of its own performance, the directors individually as well as evaluated the working of its Audit, Nomination and Remuneration, Corporate Social Responsibility and Stakeholder Relationship Committee.

a) Personal traits for individual directors

- Highest personal and professional ethics, integrity and values;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent judgment;
- Self-confidence to contribute to Board deliberations, and stature such that other Board members will respect his or her views.

b) Organisational traits for non-independent directors

- Knowledge of the affairs of the Company;
- Contribution towards growth strategies of the Company;
- Expert opinion in respect of key issues brought to their attention;
- Resolution of conflict of interest issues of other directors;
- Maintaining the corporate culture of the Company;
- Adhering to the code of conduct, SEBI Regulations and timely furnishing to the Company required disclosures under various applicable laws, change of interest and change in personal information.

c) Organisational traits for independent directors

- Attendance and participations in the meetings;
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings;
- Cordial interpersonal relations with other directors and management while maintaining a firm stance on governance issues;
- Objective evaluation of Board's performance, rendering independent and unbiased opinion on matters brought to their attention;
- Adherence to ethical standards and code of conduct including code of conduct as specified in Schedule IV to the Companies Act, 2013 and timely furnishing to the Company required disclosures under various applicable laws, change of interest and change in personal information.

d) Traits for Board/Committees

Improvement in effectiveness goes beyond imposing a structure, or requiring attendance at Board meetings. Surely these contribute to the Board governance building blocks, but to evaluate the Board's/committee's effectiveness in the organizational context, the following four criteria need to be examined:

- **Structural:** Right composition with elements which goes beyond what is prescribed by regulators; brings diversity, experience, specialized skills and expertise.
- **Strategic and performance orientation:** This demonstrate good understanding of strategy and staying focused on relevant areas; engages in important Company matters at oversight level and not management level.
- **Governance and organizational focus:** Rigorously monitors the Company’s performance along with the ability to understand and deal with factors having a significant bearing on the operations of the Company.
- **Board functioning and team dynamics:** Manner in which directors interact with each other and with the management and also consider the framework and conduct of the Board.

5. GENERAL BODY MEETINGS

The details of the Annual General Meetings (AGM) of the Company held during the last three years are as under:

Financial year	Day	Date	Time	Venue
2016-17	Tuesday	September 26, 2017	10:00 A.M.	Conference Hall, First Floor, 10, Daryaganj, New Delhi-110002
2017-18	Thursday	September 27, 2018	10:30 A.M.	Institute of Engineer Bhawan, 2 nd Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002
2018-19	Tuesday	September 17, 2019	10:30 A.M.	Institute of Engineer Bhawan, 2 nd Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002

Special resolution was passed pertaining to the appointment of Mr. Mohit Jain and Mr. Ashish Verma as Non-Executive Directors of the Company for second term at the 124th Annual General Meeting of the Company held on September 17, 2019.

No EGM was held during the year 2019-20. Further, no resolutions were implemented through postal ballot during the year under review, nor any such resolutions are presently proposed.

6. DISCLOSURES BY MANAGEMENT

- a) No material, financial and commercial transactions were reported by the management to the Board, in which the management or directors, their associates or their relatives, etc. had personal interest having a potential conflict with the interest of the Company at large. The Company has complied with the accounting standard on related party disclosure during the financial year 2019-20 and the ‘Related Party Disclosures’ have been given at note no. 27 in the notes to financial statements. The Company’s policy on materiality of related party transactions is available on the Company’s Website: www.pnbfinanceandindustries.com
- b) There was no non-compliance during the last three years by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by stock exchanges, SEBI or any statutory authority.
- c) The Company did not raise any funds through public issue, right issue, preferential issue etc. during the financial year.
- d) With respect to CFO certification, a certificate signed by Mr. Viveka Nand Jha, CFO is attached with this report.
- e) The Company has established whistle blower and vigil mechanism policy and this policy enables the employees and directors to report their genuine concerns or grievances. This policy (copy of which is hosted on the website of the Company) safeguards whistle blowers from victimization. Your Board affirms that no personnel have been denied access for making disclosure or report under the Policy to the Audit Committee.
- f) All mandatory requirements (except where not relevant or applicable) of Corporate Governance have been complied. The Company has not adopted any of the non-mandatory requirements.
- g) The Company has prepared its first financial statement in accordance with Ind AS and has applied “Ind As 101 –First time adoption of Indian Accounting Standards”.
- h) The Company has in place internal control systems for assessing and mitigating elements of risks in relation to its operations which are followed scrupulously in day to day functioning of the Company. The Board of Directors annually reviews the Risk assessment & minimization policy of the Company.
- i) The Policy on determining material subsidiaries has been uploaded and can be accessed on Company’s Website: www.pnbfinanceandindustries.com
- j) The Policy on related party transactions has been uploaded and can be accessed on Company’s Website: www.pnbfinanceandindustries.com

- k) The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The policy is available on our website: www.pnbfinanceandindustries.com
- l) The Board of Directors reviews the compliance with all applicable laws on a quarterly basis. The Company has obtained certificate from M/s Sakshi Mittal and Associates, Company Secretaries affirming the compliances with these regulations and forms part of this report.
- m) The Company has obtained certificate from M/s. Sakshi Mittal and Associates, Practising Company Secretaries, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies either by SEBI or MCA or any other statutory authorities.
- n) Since the Company has less than ten employees, it is not required to form committee for the redressal of complaints under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- o) The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by statutory auditors for the financial year 2019-20 are given below:

S. No.	Nature of service	₹ in lakh
1.	Audit fees (inclusive of GST)	0.89
2.	Certification and out of pocket expenses	0.26
	Total	1.15

7. MEANS OF COMMUNICATION

The quarterly/ half-yearly/ annual financial results of the Company are regularly submitted to the stock exchange immediately after the same are reviewed by the Audit Committee and approved by the Board of Directors. The results of the Company are usually published in “The Pioneer” (Delhi edition-in Hindi) and Mint (All edition-in English) and are also displayed on Company’s website: www.pnbfinanceandindustries.com.

8. SHAREHOLDERS’ INFORMATION

In view of the Covid-19 pandemic, Ministry of Corporate Affairs (hereinafter referred as ‘MCA’) vide circular dated May 5, 2020 allowed Companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) conducted during the calendar year 2020. Similarly Securities and Exchange Board of India (hereinafter referred as ‘SEBI’) has granted certain relaxation to listed entities for holding AGM vide its circular dated May 12,2020.

In line with the above given circular and guidelines issued by MCA and SEBI, Company is conducting **125th Annual General Meeting of the members through VC.**

Detailed instructions with respect to access and participation in the AGM through VC are detailed in the notice.

a. Annual General Meeting Date, time & venue Date of book closure Date of payment of dividend	: September 30,2020 September 24,2020-September 30,2020 On or after September 30,2020
b. Financial year	: 1st April - 31st March
c. Financial calendar (tentative) Financial reporting for the quarter ending on June 30, 2020* Financial reporting for the quarter ending on September 30, 2020 Financial reporting for the quarter ending on December 31, 2020 Financial reporting for the year ending on March 31, 2021 <i>*Extension granted by SEBI vide SEBI/HO/CFD/CMD1/CIR/P/2020/140 to submit financial results for quarter ended June 30,2020 till September 15,2020 on account of Outbreak of Covid-19.</i>	1 st week of September 2020 Last week of October 2020 Last week of January 2021 Last week of April 2021

d. Listing on stock exchanges (equity shares)

The equity shares of the Company are listed at The Calcutta Stock Exchange situated at 7, Lyons Range, Kolkata, West Bengal-700 001 having scrip code 26055. The annual listing fee for the financial year 2019-20 has been paid within stipulated time period. Annual custodian fee for the financial year 2019-20 have also been paid to CDSL and NSDL.

e. Stock market data

No trading took place during the last financial year at The Calcutta Stock Exchange Limited.

f. Share transfer system

To expedite the transfer in physical segment, authority has been delegated to the stakeholders relationship committee of the Board. The Committee ensures a predetermined process cycle at 15 days interval and despatch of transferred share certificates within 5 working days from the date of transfer.

g. Dematerialisation of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. January 29, 2001, as per notification issued by SEBI.

As on March 31, 2020, 97.38% (31,16,138 shares) of equity shares have been dematerialised. The ISIN no. allotted to the Company is INE057F01011.

h. Due dates of transfer of unclaimed dividend to Investor Education and Protection Fund

Information in respect of unclaimed dividend of the Company for the subsequent financial years and date(s) when due for transfer to IEPF is given below:

Financial year ended	Date of declaration of dividend	Due date of transfer to IEPF
31.03.2013	30.07.2013	03.09.2020
31.03.2014	30.07.2014	03.09.2021
31.03.2015	22.09.2015	28.10.2022
31.03.2016	30.09.2016	05.11.2023
31.03.2017	26.09.2017	01.11.2024
31.03.2018	27.09.2018	02.11.2025
31.03.2019	17.09.2019	22.10.2026

The total amount lying in the unpaid dividend account of the Company as on March 31, 2020 in respect of the last seven years is ₹ 3.85 Lakhs.

i. Distribution of shareholding as on March 31, 2020

Shareholding nominal value (₹)	Number of shareholders	% to total numbers	Shareholding value (₹)	% to total value (₹)
Upto 5,000	837	92.69	4,57,480	1.43
5,001 - 10,000	34	3.77	2,67,160	0.83
10,001 - 20,000	11	1.22	1,45,280	0.45
20,001 - 30,000	3	0.33	76,670	0.24
30,001 - 40,000	1	0.11	32,000	0.1
40,001 - 50,000	0	0	0	0
50,001 - 100,000	4	0.44	2,95,620	0.92
Above 100,000	13	1.44	3,07,25,790	96.02
Total	903	100	3,20,00,000	100

*Including fractional coupons comprising 131 equity shares not yet exchanged

j. Shareholding pattern as on March 31, 2020

Category	Number of shares	Percentage %
A. Promoters' holding	NIL	NIL
B. Non-Promoters' holding		
(a) Institutional investors	50,449	1.58
(b) Others		
1. Private bodies corporate	21,87,981	68.37
2. Indian public	9,03,237	28.23
3. NRIs	22,149	0.69
4. Hindu undivided family	6,419	0.20
5. Others (IEPF)	29,765	0.93
TOTAL	32,00,000*	100

*Including fractional coupons comprising 131 equity shares not yet exchanged

9. OUTSTANDING ADRS/ GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has not issued any ADRs/ GDRs/warrants or any convertible instruments.

10. INVESTOR CORRESPONDENCE : Company Secretary
 PNB Finance and Industries Limited
 1st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg,
 New Delhi-110002
 Email ID- pnbfinanceindustries@gmail.com
 Phone: +91-7303495375

11. FOR TRANSFER/DEMAT/DUPLICATE CHANGE IN ADDRESS, ETC. : Skyline Financial Services Private Limited
 D-153/A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi-110020
 Phone No.: 011-26812682/83
 Email: info@skylinerta.com

CFO CERTIFICATION

The Board of Directors,
PNB Finance and Industries Limited

Dear Sir,

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that:

- 1) I have reviewed the financial statements and the cash flow statement for the year 2019-20 and to the best of my knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- 3) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps I have taken or propose to take to rectify these deficiencies.
- 4) I have indicated to the auditors and the Audit Committee:
 - i) that there are no significant changes in internal control systems during the year.
 - ii) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes of the financial statement; and
 - iii) that there have been no instance of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For **PNB FINANCE AND INDUSTRIES LIMITED**

Place: New Delhi
Date: June 16, 2020

Viveka Nand Jha
Chief Financial Officer

PNB FINANCE AND INDUSTRIES LIMITED

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of PNB Finance and Industries Limited,

We have examined the compliance of conditions of Corporate Governance by PNB Finance and Industries Limited (“**the Company**”) for the year ended 31st March, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Ghaziabad
Dated: August 14, 2020

For Sakshi Mittal & Associates
Practicing Company Secretary
Membership No.8369
CP No. 9460
UDIN: F008369B000582019

CERTIFICATE

(Pursuant to clause 10 of Part C of Schedule V of (Listing Obligations and Disclosure Requirements) Regulations, 2015)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of PNB Finance and Industries Limited (“Company”) (CIN L65929DL1947PLC001240 I hereby certify that:

On the basis of the written representation/declaration received from the Company, as on March 31, 2020, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Place: Ghaziabad
Dated: August 14, 2020

For Sakshi Mittal & Associates
Practicing Company Secretary
Membership No.8369
CP No. 9460
UDIN: F008369B000582063

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Macro Economic View

The global macroeconomic outlook is overcast with the COVID-19 pandemic, with massive dislocations in global production, supply chains, trade and tourism. Financial markets across the world are experiencing extreme volatility; global commodity prices, especially of crude oil, have declined sharply. COVID-19 would impact economic activity in India directly due to lockdowns, and through second round effects operating through global trade and growth. The impact of COVID-19 on inflation is ambiguous, with a possible decline in food prices likely to be offset by potential cost-push increases in prices of non-food items due to supply disruptions. India's GDP growth is expected to grow in the range of 6.0 to 6.5 per cent in 2020-21.

India has not been spared from the exponential spread of COVID-19. While efforts are being mounted on a war footing to arrest its spread, COVID-19 would impact economic activity in India directly through domestic lockdown. Second round effects would operate through a severe slowdown in global trade and growth. More immediately, spillovers are being transmitted through finance and confidence channels to domestic financial markets.

Industry Developments

The Non Banking Financial Company (NBFC) sector saw a largely stable outlook for major NBFCs. 2019 has kept everyone on their toes. Still, the biggest learning has been that regardless of liquidity crisis or economic slowdown, investors will focus on solid business models and proven teams that can drive profitability. NBFCs are learning to calibrate the overall market dynamics and approaching new strategies to lend to different segments.

The Government has taken a series of measures to generate demand and ease the liquidity by ensuring public sector banks lend further to NBFCs, introducing partial credit guarantee scheme, organizing loan mela etc. The growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future.

COVID-19 Impact

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infections, governments of almost all countries severely restricted travel, mandated extreme 'social distancing' measures and reduced demand supply chains to only those that are 'essential'. Office complexes have been asked to operate with minimal or no staff for extended periods of time.

Since major earning of the Company is yielded through investment in debt mutual funds, the risk of this pandemic is lesser on the Company comparative to Companies engaged in manufacturing, service and other industries.

To provide a safe work environment for our employees the following actions have been taken:

- Established processes for reporting, quarantining and supporting any personnel suspected of or confirmed having tested positive for the disease.
- Established detailed protocol for evacuation and sanitization of our office buildings in the event of a suspected or confirmed health incident.
- Increased cadence of sanitization of our office facilities.
- Ensured availability of thermal scanners, masks, hygiene products, medicines and medical facilities at our office.
- Created detailed plans for enabling return-to-work in a phased manner, that emphasize social distancing and hygiene.
- The Company has also incorporated work from home culture as a part of working practice of the Company.

Company Performance

Your Company continues to be non-banking Investment Company. Mutual Funds continue to command the larger share of the investment portfolio of the Company. The Company continued with its policy of investing in low risk debt products offered by the various mutual fund houses and in fixed deposits.

The Company has earned net profit of Rs. 10.48 crores during the year 2019-2020. The Company has generated major income this year due to the decision to churn the portfolio of low yield investments in anticipation of higher returns in the future.

Opportunities

The RBI has been continually strengthening the supervisory framework for NBFCs in order to ensure sound and healthy functioning and avoid excessive risk taking. It has issued several new guidelines in the recent past.

Threats

The uncertainties and volatility in the financial market is a continuing threat to the organizational performance. However, the twin features of fore-sightedness and focused analysis of the market has challenged the threat to adverse performance.

Risk and Concern

Your Company is exposed to normal industry risk such as interest rates, market and operational risks. In order to mitigate the risk, your Company invest the surplus funds in growth schemes primarily seeking to generate long term capital appreciation commensurate with prudent risk from a portfolio comprised substantially of high quality debt securities and fixed deposits.

Internal control systems & their adequacy

The Company believes in the system of internal controls and has provided for proper checks and control at various operational levels.

PNB FINANCE AND INDUSTRIES LIMITED

REPORT PURSUANT TO NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2016 AS ISSUED BY RESERVE BANK OF INDIA

To
The Board of Directors,
PNB Finance and Industries Ltd.
1st Floor, Express Building,
9-10 Bahadur Shah Zafar Marg,
Delhi-New Delhi- 110 002

Matters to be reported as per paragraph 3 of the Non- Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

- A) (i) The Company is duly registered with the Reserve Bank of India (hereinafter referred as the "Bank") as an NBFC and has obtained the Certificate of Registration (CoR) vide certificate No. B-14.00572 dated 26/03/1998.
- (ii) The Company is entitled to continue to hold such Certificate of Registration (CoR) in terms of its Principal Business Criteria (Financial asset/income pattern) asset/income pattern as on March 31, 2020.
- (iii) The Company is meeting the required Net Owned Fund requirement as laid down in Master Direction - Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The Net Owned Fund as on 31st March, 2020 is amounting to Rs.108.06 Crore.
- B) Since the company does not hold public deposits and neither has it accepted public deposits during the year, therefore the matters specified in this paragraph are not applicable to the company.
- C) i) The Board of Directors has passed a resolution dated 10th April, 2019 for non-acceptance of any public deposits during the Financial Year 2019-20.
- ii) The company has not accepted any public deposits during the year ended 31st March, 2020.
- iii) Since the Company has not accessed any public funds and does not have any customer interface during the year ended 31st March, 2020 and accordingly the directions related to Prudential Regulations as contained in the Chapter IV of Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 is not applicable on the company, hence the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts are not applicable to the company.
- As per Roadmap notified by Ministry of Corporate Affairs (MCA), the company has adopted Indian Accounting standards (Ind AS) for the first time w.e.f. 01-04-2019 (from financial year 2019-20) and accordingly financial statements for 2019-20 are prepared as per relevant provisions and applicable Indian accounting standards.
- iv) Since the Company is not a Systemically Important Non-Deposit taking NBFC as defined in paragraph 3 (xxxii) of the "Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the matters specified in this paragraph are not applicable to the Company.
- v) Since the Company is not a NBFC-Micro Financial Institutions (MFI) as defined in paragraph 3 (xix) of the "Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the matters specified in this paragraph are not applicable to the Company.
- D) Since the Company has not obtained any specific advice from the bank that it is not required to hold Certificate of Registration from the Bank; the matters specified in this paragraph are not applicable to the Company.

For A W A T A R & C O.
Chartered Accountants
Firm Registration No.000726N

(Sanjay Agrawal)
Partner

Membership No 087786

Place : New Delhi
Date : June 26, 2020

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

PNB FINANCE AND INDUSTRIES LIMITED

I. Report on the Audit of Financial Statements for the year ended 31st March, 2020

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of **PNB Finance And Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its Profit, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

3. Management's Responsibility for the Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies and its implementation and maintenance; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- B. 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.

4. Auditor's Responsibilities for the Audit of the Financial Statements

- A. 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.
- B. 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.

- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) 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.
 - v) Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the standalone financial statements.
- C. 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.
 - D. 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.
- 2. As required by Section 143(3) of the Act, based on our audit we report that :
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - C. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - D. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A W A T A R & C O.

Chartered Accountants

Firm Registration No. 000726N

Sanjay Agrawal

Partner

Membership No. : 087786

UDIN 20087786AAAAAY3673

Place : New Delhi

Date : June 26, 2020

II. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of PNB Finance & Industries Limited for the year ended 31st March, 2020)

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We have been explained that the physical verification of the fixed assets was carried out by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- ii) The company being in the business of investment in securities, has no stock at any time during the year and therefore the clause regarding inventories is not applicable since the company.
- iii) In respect of loans, secured or unsecured, granted by the Company, to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, a loan of Rs. 126.00 Lakh has been granted during the year to the wholly owned subsidiary M/s Punjab Mercantile & Traders Ltd. at an interest rate of 7% per annum. In our opinion, the terms and conditions of the grant of such loan are not prejudicial to the interest of the company. The schedule of repayment of principal and payment of interest has not been stipulated.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, wherever applicable.
- vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii) a) According to the information and explanations given to us and according to the records produced before us for verification, the Company is generally regular in depositing, with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, and Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the records of the company and information and explanations given to us, there are no dues of income tax, Goods and Services Tax (GST), cess and other statutory dues which have not been deposited on account of disputes.
- viii) The company does not have any dues to financial institution or bank or debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the financial year and has not done any initial public offer or further public offer (including debt instrument) and hence Clause-3(ix) is not applicable.
- x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanation given to us by the management, no fraud on or by the company has been noticed or reported during the year.
- xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration under section 197 read with the Schedule V to the Companies Act 2013 and hence Clause 3 (xi) is not applicable to the Company.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3 (xii) is not applicable to the Company.
- xiii) As explained to us and as per the records of the company, in our opinion there are no transactions with the related parties during the year.
- xiv) According to the records of the company, it has not made preferential allotment of shares during the year under report, hence clause 3(xiv) is not applicable to the Company.
- xv) During the year, the Company has not entered into any non-cash transaction with Director or person connected with him and Clause 3 (xv) is not applicable to the Company.
- xvi) The Company is a Non Banking Financial Company and is registered under section 45-1A of the Reserve Bank of India Act, 1934.

For AWATAR & CO.

Chartered Accountants

Firm Registration No. 000726N

Sanjay Agrawal

Partner

Membership No. : 087786

UDIN 20087786AAAAAY3673

Place : New Delhi

Date : June 26, 2020

ANNEXURE-B

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PNB FINANCE & INDUSTRIES 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 Finance & Industries Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial 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 judgment, 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 I/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, 2020, 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 A W A T A R & C O.

Chartered Accountants
Firm Registration No. 000726N

Sanjay Agrawal

Partner

Membership No. : 087786

UDIN 20087786AAAAAY3673

Place : New Delhi
Date : June 26, 2020

PNB FINANCE AND INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Note no.	As at 31.03.2020 (₹ in lakhs)	As at 31.03.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
ASSETS				
Financial assets				
Cash and cash equivalents	2 (I)	5.88	7.97	7.01
Bank balances other than above	2 (II)	1,169.85	3.74	4.05
Investments	3	159,205.47	168,518.80	147,469.00
Loan	4	126.00	-	-
Other financial assets	5	200.76	30.91	0.21
Non financial assets				
Current tax assets (net)	6	28.62	23.85	23.95
Deferred tax assets (net)	7	1.87	1.94	30.42
Property, plant and equipments	8	0.34	0.72	0.15
Other non -financial assets	9	0.22	0.20	0.08
Total		<u>160,739.01</u>	<u>168,588.13</u>	<u>147,534.87</u>
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Payables				
Other payables	10			
Total outstanding dues of micro and small enterprises		-	-	-
Total outstanding dues of creditor other than micro and small enterprises		2.89	1.19	1.13
Other financial liabilities	11	3.85	3.75	4.05
Non- financial liabilities				
Current tax liabilities (net)	12	-	1.36	-
Provisions	13	6.59	6.91	6.08
Deferred tax liabilities	14	33,365.06	35,340.79	30,591.97
Other non-financial liabilities	15	3.68	0.85	0.65
Equity				
Equity share capital	16	320.00	320.00	320.00
Other equity	17	127,036.94	132,913.28	116,610.99
Total		<u>160,739.01</u>	<u>168,588.13</u>	<u>147,534.87</u>
Significant accounting policies & notes to financial statements	1 to 39			

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAY3673

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Mohit Jain

Director

DIN: 01315482

Place: New Delhi

Date: June 26, 2020

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

Shweta Saxena

Company Secretary

Membership No. A18585

PNB FINANCE AND INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Note no.	For the year ended 31.03.2020 (₹ in lakhs)	For the year ended 31.03.2019 (₹ in lakhs)
INCOME			
Other income			
Interest income	18	426.28	4.11
Dividend income from equity instruments (measured at fair value through OCI)		243.83	318.48
Gain / loss on redemption of investments in debt mutual funds (measured at fair value through OCI)"		658.12	871.78
Others	19	<u>0.05</u>	<u>18.47</u>
Total		<u>1,328.28</u>	<u>1,212.84</u>
EXPENSES			
Employee benefits expense	20	38.70	34.31
Depreciation and amortization expense	21	0.38	0.57
Other expenses	22	<u>78.98</u>	<u>23.92</u>
Total		<u>118.06</u>	<u>58.80</u>
Profit before exceptional items and tax		<u>1,210.22</u>	<u>1,154.04</u>
Exceptional items - interest realised on loan		-	<u>149.05</u>
Profit before tax		<u>1,210.22</u>	<u>1,303.09</u>
Tax expense			
Current tax		271.54	203.01
MAT credit utilised		(109.98)	-
Deferred tax charge/(-)credit		0.07	28.48
Earlier year tax provision (net)		<u>-</u>	<u>0.10</u>
Profit after tax for the year (A)		<u>1,048.59</u>	<u>1,071.50</u>
(I) Items that will be reclassified to the profit or loss			
Fair value changes in debt instruments through other comprehensive income(FVTOCI)		372.51	535.75
Less: reclassified to profit or loss from OCI on sale		(543.82)	(667.87)
Less: income tax effect on above		<u>38.13</u>	27.16
(I)		<u>(133.18)</u>	<u>(104.96)</u>
(II) Items that will not be reclassified to the profit or loss			
fair value changes in equity instruments through other comprehensive income (FVTOCI)		(8,707.01)	20,134.83
Less: income tax effect on above		1,937.83	(4,775.97)
Remeasurement of the defined benefit plans		0.81	0.04
Less: income tax effect on above		<u>(0.23)</u>	<u>(0.01)</u>
(II)		<u>(6,768.60)</u>	<u>15,358.89</u>
Total other comprehensive income, net of tax (B= I+II)		<u>(6,901.78)</u>	<u>15,253.93</u>
Total comprehensive income for the year (A+B)		<u>(5,853.19)</u>	<u>16,325.43</u>
Earnings per equity share	23		
(Face value of Rs.10/- each)			
Basic		32.77	33.48
Diluted		32.77	33.48

Significant accounting policies and notes on financial statements 1 to 39

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Awatar & Co.

Chartered Accountants
Firm Regn. No. 000726N

Sanjay Agrawal

Partner
Membership No. 087786
UDIN 20087786AAAAAY3673

Place: New Delhi
Date: June 26, 2020

for and on behalf of the Board of Directors

Govind Swarup

Director
DIN: 00003145

Viveka Nand Jha
Chief Financial Officer
PAN - AEXPJ2176H

Mohit Jain

Director
DIN: 01315482

Shweta Saxena
Company Secretary
Membership No. A18585

PNB FINANCE AND INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	For the year ended 31.03.2020 (₹ in lakhs)	For the year ended 31.03.2019 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,210.22	1,303.09
Adjustment for:		
Dividend income	(243.83)	(318.48)
(Gain)/loss on sale of investments	(658.12)	(871.78)
Interest on investments in bonds, debentures & deposit	(366.82)	(4.15)
Interest realised on loan (exceptional item)	-	(149.05)
Provision for doubtful debts written back	-	(18.39)
Interest income on Loan to subsidiary company	(5.79)	-
Premium (net of Discount) on bonds amortised	9.38	0.04
Interest on fixed deposits with bank	(63.05)	-
Non - cash items :		
Provision for leave encashment and gratuity (net)	0.49	0.87
Depreciation	0.38	0.57
Operating profit/(-) loss before working capital changes	(117.14)	(57.28)
Adjustments for changes in working capital:		
(Increase)/ decrease in other non-financial assets	(0.02)	(0.12)
Increase/(decrease) in other payables	1.70	0.06
Increase/(decrease) in other non-financial liabilities	2.83	0.20
Cash generated from /(used in) operations	(112.63)	(57.14)
Income tax paid(net of refund)	(167.70)	(201.65)
Net cash from/ (used in) operating activities.....A	(280.33)	(258.79)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	-	(1.14)
Dividend received	243.83	318.48
Interest received on deposits, bonds and FDR	310.89	-
Interest received on debentures	-	0.70
Doubtful loan realised	-	18.39
Interest realised on loan (exceptional items)	-	149.05
Investments in bonds and deposits (includes accrued intt.)	(3,907.59)	(1,031.65)
Fixed deposits with bank made	(1,166.00)	-
Loan given to subsidiary	(126.00)	-

PNB FINANCE AND INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	For the year ended 31.03.2020 (₹ in lakhs)	For the year ended 31.03.2019 (₹ in lakhs)
Purchase of investments in mutual funds	(3,857.73)	(6,706.21)
Proceeds from sale/redemption of mutual funds and others	8,803.99	7,535.27
Net cash from/(-) used in investing activities B	301.39	282.89
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(19.20)	(19.20)
Dividend distribution tax paid	(3.95)	(3.94)
Net cash from/(-)used in financing activities C	(23.15)	(23.14)
Net increase/(-) decrease in cash and cash		
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2.09)	0.96
Cash and cash equivalents at the beginning of the year	7.97	7.01
Total cash and cash equivalents at the end of the year	5.88	7.97
Components of cash and cash equivalents:		
Balances with bank in current accounts	5.81	7.92
Cash on hand	0.07	0.05
Total	5.88	7.97

Note : (i) The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS-7) "statement of cash flow".

(ii) Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAY3673

Govind Swarup

Director

DIN: 00003145

Mohit Jain

Director

DIN: 01315482

Place: New Delhi

Date: June 26, 2020

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

Shweta Saxena

Company Secretary

Membership No. A18585

PNB FINANCE AND INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital

(₹ in lakhs)

Particulars	Balance as at 01 st April 2018	Issued during the year	Balance as at 31 st March 2019	Issued during the year	Balance as at 31 st March 2020
Equity Shares	320.00	-	320.00	-	320.00
	320.00	-	320.00	-	320.00

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus				Accumulated balance of other comprehensive income ('OCI')			Total other equity
	Other reserve			Retained Earnings (surplus)	Debt instruments through OCI	Equity instruments through OCI	Others (remeasurement of defined benefit plan)	
	Securities premium	General reserve	Special reserve U/s 45-IC of RBI Act, 1934					
Balance as at 1st April, 2018	103.91	1,435.16	1,712.36	5,162.09	819.04	107,378.43	-	116,610.99
<u>Changes during the year ended 31st March, 2019 :</u>								
Add : Profit/(-) Loss for the year	-	-	-	1,071.50	-	-	-	1,071.50
Add : Other comprehensive income for the year :								
Fair value changes of financial instruments through OCI (net of reclassification)	-	-	-	-	(132.12)	20,134.83	-	20,002.71
Income tax on above	-	-	-	-	27.16	(4,775.97)	-	(4,748.81)
Remeasurement of defined benefit plans (net of tax) through OCI	-	-	-	-	-	-	0.03	0.03
Less : dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : dividend distribution tax paid	-	-	-	(3.94)	-	-	-	(3.94)
Less : transfer to general reserve	-	20.00	-	(20.00)	-	-	-	-
Less : transfer to special reserve	-	-	209.69	(209.69)	-	-	-	-
Balance as at 31st March, 2019	103.91	1,455.16	1,922.05	5,980.76	714.08	122,737.29	0.03	132,913.28
<u>Changes during the year ended 31st March, 2020 :</u>								
Add : profit/(-) loss for the year	-	-	-	1,048.59	-	-	-	1,048.59
Add : other comprehensive income for the year :								
Fair value changes of financial instruments through OCI (net of reclassification)	-	-	-	-	(171.31)	(8,707.01)	-	(8,878.32)
Income tax on above	-	-	-	-	38.13	1,937.83	-	1,975.96
Remeasurement of defined benefit plans (net of tax) through OCI	-	-	-	-	-	-	0.58	0.58
Less : Dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : Dividend distribution tax paid	-	-	-	(3.95)	-	-	-	(3.95)
Less : transfer to general reserve	-	20.00	-	(20.00)	-	-	-	-
Less : transfer to special reserve	-	-	205.10	(205.10)	-	-	-	-
Balance as at 31st March 2020	103.91	1,475.16	2,127.15	6,781.10	580.90	115,968.11	0.61	127,036.94

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAY3673

Place: New Delhi

Date: June 26, 2020

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Viveka Nand Jha
Chief Financial Officer
PAN - AEXPJ2176H

Mohit Jain

Director

DIN: 01315482

Shweta Saxena
Company Secretary
Membership No. A18585

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Corporate Overview

PNB Finance and Industries Limited ('the Company') is a public limited company domiciled and incorporated in India under the provisions of Indian Companies Act.

The Company's registered office is at Ist Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110 002, India. The Company is an NBFC Company, registered with RBI as NBFC Company as Non –Deposit taking company in 1998.

Presently, the Company is not engaged in any business operations, except investment of surplus funds in low risk instruments and earning income therefrom. while the Company is classified as a NBFC by virtue of the applicable RBI Guidelines on NBFCs, it does not carry on investment activities as a business operation and also it does not hold or/and accept Public Deposits. Income earned by company from Investment of surplus fund has been disclosed under "Other income".

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation of financial statements:

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and disclosures are made in accordance with the requirement of Division III of Schedule III of the Companies Act, 2013 (the Act) and other relevant provisions of the Act and RBI guidelines/ regulation as an NBFC Company to the extent applicable.

The financial statements up to the year ended 31 March 2019 have been prepared under the Historical Cost Convention on Accrual Basis and comply in all material aspects with the Accounting Standards {Accounting standards as per Companies (Accounting Standards) Rules, 2006, as amended}, notified under section 133 of the Company Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and disclosures are made in accordance with the requirement of Schedule III of the Companies Act, 2013 as amended and RBI guidelines/ regulation as an NBFC Company to the extent applicable.

First time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS and 'Ind AS 101 - First-time Adoption of Indian Accounting Standards' (Ind AS 101) has been applied. The transition has been carried out from Indian GAAP which is considered as the Previous GAAP, as defined in Ind AS 101. On transition to Ind AS, detail of the Exemptions and exceptions (optional and/or mandatory) availed and applied and a reconciliation of Equity, Total Comprehensive income and cash for previous reported years is provided in Note 32.

The financial statements were authorised for issue by the Board of Directors on June, 26, 2020.

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and financial liabilities that are measured and carried at Fair Value (refer accounting policy regarding Financial Instruments).

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency.

All amounts have been rounded-off to the nearest lakhs (up to two decimal point), as per the requirements of Schedule III, unless otherwise stated.

1.2 Significant accounting judgments, estimates and assumptions:

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, financial assets, non-financial assets, financial and non-financial liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual estimates may differ from these estimates.

The information about each of these estimates and judgements is included in relevant notes. Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

1.3 Revenue recognition

Income is recognized on accrual basis to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Where significant uncertainty exists on realization of revenue at the time of accrual, underlying revenue is not recognized to that extent.

- **Interest income**

Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the EIR, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income on Bank Deposits and other non -financial deposits is recognized on accrual basis taking into account, the amount invested/ outstanding / and the rate of interest applicable.

Interest on tax refund is accounted for on receipt basis.

- **Dividend income**

Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

Dividend income from Equity Instruments measured at fair value through Other Comprehensive income has been recognised in the statement of profit and loss.

Interest and Dividend is included under Other Income in Statement of Profit and Loss.

1.4 Property, plant and equipment:

- **Recognition and measurement**

Property, Plant & Equipments (PPE) is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The Cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable expenses for bringing the assets to their present location and conditions for its intended use.

When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE. All other expenses on an existing PPE including day to day repair and maintenance expenditure and cost of replacing parts (other than major components), are charged to the statement of profit and loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other Non -Financial assets'.

- **Disposal**

An item of PPE is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognised net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation on Property, Plant & Equipment (PPE) is provided on written down value as per rates arrived at based on Useful life and manner prescribed under Schedule II of the Companies Act, 2013.

In case Addition /Deletion of PPE during the year, Depreciation on those PPEs have been provided for on a pro rata basis from the date of such addition or, as the case may be, up to the date of deletion of such asset.

1.5 Impairment of property, plant and equipment and other non –financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which the assets is identified as impaired. The impaired loss recognized in prior accounting periods is reversed / adjusted, if there has been a change in the estimate of the recoverable amount.

1.6 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.7 Fair value measurement:

The Company measure financial instruments such as Investments in Debt Mutual Funds and in Equity shares (other than investment in Subsidiaries/Associates) at fair value at each reporting (Balance sheet) date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to fair value measurement as a whole :

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.8 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

a. Initial recognition and measurement

Financial assets are initially recognised on the trade date i.e. the date that the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. Financial Assets which are not at fair value through Profit and loss, are at fair value plus transaction costs that are directly attributable to the acquisition of such Financial Assets. Transaction costs of those financial assets carried at "fair value through profit or Loss" are expensed in Statement of profit and loss.

Financial Assets are classified at the initial recognition as Financial Assets measured at Amortised Costs or at Fair value.

b. Subsequent measurement

For subsequent measurement, financial assets are broadly classified in two broad categories:

- Financial Assets carried at Amortised Cost,
- Financial Assets at Fair Value [Either through Other Comprehensive income (FVTOCI) Or through Profit or Loss (FVTPL)]

For assets classified as “at Fair value”, gains and losses are either recognised in Statement of profit and loss or recognised in Other Comprehensive Income, as elected. For Assets classified as “at Amortised Cost”, this will depend on the business model and contractual terms of the cash flows.

i) **Financial assets carried at amortised cost** :

A Financial Asset is measured at Amortised Cost if meets the following two conditions:

- (a) Business Model Test: The objective of the company’s business model is to hold the financial assets to collect contractual cash flows.
- (b) Cash flow characteristic Test: The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets i.e. Debentures, Bonds and Corporate Deposits etc. meeting the above conditions are measured at Amortised Cost and Interest income from such financial assets has been recognised using the effective Interest rate.

ii) **Financial assets at fair value through other comprehensive income (FVTOCI)** :

A Financial Asset is subsequently measured at fair value through Other Comprehensive Income if :

- (i) The objective of the business model is achieved by both collecting contractual cash flows and selling Financial Assets and
- (ii) The contractual terms of the Financial Asset represent solely payments of principal and interest on the principal amount outstanding.

The Dividend Income on Financial Assets at FVTOCI is recognised under Profit or Loss. The company’s Investments in Financial Assets i.e. Debt Instruments being Debt based Mutual Funds are measured at fair value through Other Comprehensive Income (OCI) and Fair value changes on these financial assets are recognised in OCI.

On derecognition/ sale of Investments measured at FVTOCI, the Fair value changes (on other than Equity Instruments measured at FVTOCI) in OCI, are subsequently reclassified to the statement of profit and loss.

iii) **Financial Assets at fair value through profit or loss (FVTPL)** : A Financial Asset which is not classified in any of the above categories are measured at fair value through Profit or Loss. Equity instruments which are held for trading are required to measure at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

Equity instruments at fair value through other comprehensive income

For Equity Instruments, the company may make an irrevocable election to present subsequent changes in the fair value through Other Comprehensive Income. The Company makes such election on an instrument-by-instrument basis.

For investments in Equity Shares (not held for trading and other than Investment in Subsidiary /Associates), the Company has made an irrevocable election to account for these at Fair value through other comprehensive income (FVTOCI).

If the company decides to classify an Equity Instruments as at FVTOCI, then all fair value changes on such instruments excluding dividend income, are recognised in the Other Comprehensive income (OCI). Dividend on equity instrument measured at FVTOCI is recognised at Statement of Profit and Loss.

Fair Value changes on these equity instruments never recycled (not subsequently transferred/reclassified) from OCI to Profit or Loss, however on de-recognition / sale of the equity instruments measured at FVTOCI, cumulative Gain or Losses are transferred/ reclassified within Equity.

c. Investments in subsidiary and associates

The Company's Investment in Subsidiaries and Associates are recognised at Cost as per Ind AS 27. Investments in associates are carried at cost less accumulated impairment losses, if any. Cost represents amount paid for acquisition of the said investments.

The company assesses at the end of each reporting period, if there are any indication that the said investments may be impaired. If impairment exists, the company estimates the recoverable value/ amount of the investments and provides for impairment, if any i.e. the deficit in the recoverable amount / value over cost. The impairment loss, if any, recognises in the statement of profit and loss.

On disposal of investments in Subsidiaries / Associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

d. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at FVTPL.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets considered for ECL. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the needs to provide for the same in the statement of Profit and Loss.

The company assess impairment based on Expected credit losses (ECL) model for the following :

- (1) Financial Assets measured at Amortised Cost,
- (2) Financial Assets measured at FVTOCI,
- (3) Other Financial Assets like Trade/ Other receivables.

The Company follows "Simplified Approach" for recognition of Impairment loss allowance on trade receivables. For application of "Simplified Approach" the company does not require to track changes in credit risk instead the company uses the provision matrix to determine loss allowance on Trade / Other receivables.

ECL is the difference between all contractual cash flows that are due to the company in accordance with contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

The Company's investment in Debt (Fixed income securities being Bonds, Corporate Deposits, Debentures etc.) Instruments, the risk parameters like tenor, the probability of default, tracking of ratings etc. for each of these instruments/ Issuer ratings etc. is considered in estimating probable credit losses over balance tenor of these instruments.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss.

However, ECL impairment loss allowance (or reversal) if any, on Equity Shares measured at Fair value through OCI (FVTOCI) has been recognized through other comprehensive income.

ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the Balance sheet. ECL reduces the net carrying amount, unless the financial asset meets write off criteria, the company does not reduce impairment allowance from the Gross carrying amount.

Financial liabilities

a. Initial recognition and measurement

All Financial Liabilities are recognized at fair value and in case of borrowings and Payables, net of directly attributable transaction costs.

The company's financial liabilities include Trade/ other payables having short maturities.

b. Subsequent measurement

Financial Liabilities comprises Interest bearing Borrowings (from Banks/others) if any, are carried at amortized cost using the effective interest method.

For trade and other financial liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial assets and liabilities

Financial assets

A Financial assets is derecognised only when the Company when :

- (i) The contractual rights to the cash flows from the Financial Asset expired OR
- (ii) The Company has transferred the right to receive cash flow from financial assets and where the entity has transferred the assets, the company evaluates whether it has transferred substantially all risk and rewards of ownership of such financial assets. OR
- (iii) In other case, transfer qualifies for other de-recognition criteria under Ind- AS 109.

Financial liabilities

A Financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired.

Reclassification of financial assets and liabilities

The company does not reclassify its financial assets subsequent to initial measurement, apart from exceptional circumstances and as permitted. Financial Liabilities are not reclassified.

Off setting

Financial assets and liabilities are off set and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events. It must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.9 Employee benefits:

- **Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

Defined contribution plans

Employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both employees and employer make monthly contributions to the plan at a pre determined rate of employee's basic salary. These contributions are made to a Central Government's employees provident organisation account (EPFO) Contributions by Company to Provident Fund are expensed in the Statement of Profit and Loss, when the contributions are due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

Other long-term employee benefits (compensated leaves)

The employees can carry-forward a portion of the unutilized accrued leave and utilize it in future service periods or receive cash compensation on resignation/termination of employment.

Accumulated Leaves, which is expected to be utilised within the next 12 months, is treated as Short term employee benefit. Since a substantial part of the compensated leaves do not fall due wholly within 12 months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within 12 months after the end of such period, the benefit of such leaves is classified as a long-term employee benefit.

The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method at year end.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the Statement of profit and loss.

1.10 Income tax:

Income tax expense comprises Current Tax, Deferred tax and Earlier Year Tax, if any.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the current tax / deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

- **Current tax**

Current tax Expenses or credit for the period is the tax payable on the current period's taxable income based on the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year under the provisions of the Income-tax Act, 1961 is charged to the statement of profit and loss as current tax for the year.

Minimum Alternate Tax (MAT) Credit, if applicable is recognised as Deferred tax asset only when and to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses/tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences/credits and losses.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

The carrying amount of Deferred Tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

1.11 Provisions and contingent liabilities:

The company creates a provision when there is present obligation as a result of past events and it is probable that an

outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Contingent liability is not recognised but disclosed in the case of :

- (i) A present obligation that arising out of past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- (ii) A present obligation that arising out of past events , when no reliable estimate of the amount is possible,
- (iii) A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.12 Earnings per share (EPS):

Basic earnings per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the financial year.

The weighted average number of equity shares outstanding during the year/period and all periods presented is adjusted for events, such as bonus equity shares, Other than the conversion of potential equity shares that have changed the no. of equity shares outstanding without a corresponding change in resources.

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

1.13 Dividend on equity shares:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
2 (I) : Cash and cash equivalents			
Balances with Bank :			
In current account with HDFC Bank	5.81	7.92	6.98
Cash on hand	0.07	0.05	0.03
Sub total-I	5.88	7.97	7.01
2 (II) : Bank balance other than above (I)			
Fixed deposits with HDFC Bank #	1,166.00	-	-
Earmarked balances with HDFC Bank (in unclaimed dividend accounts)	3.85	3.74	4.05
Sub total-II	1,169.85	3.74	4.05
Total (I+II)	1,175.73	11.71	11.06

The Company has provided to HDFC Bank its Fixed Deposit as margin in connection with "Bank Guarantee for a sum of Rs. 150 Lakh in favour of The National Stock Exchange Ltd " obtained by its wholly owned subsidiary company i.e. Punjab Mercantile & Traders Ltd. The vailidity of Bank Guarantee is up to 07-08-2020 with extended claim period up to 07-08-2021.

PNB FINANCE AND INDUSTRIES LIMITED

3 INVESTMENTS

Particulars	Face Value Per Share/ Bond /Unit (In Rs.)	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
		Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)
(Other than Trade, Non-Current, unless otherwise specified)							
(1) In Debt Mutual Funds							
(a) Quoted							
(Carried at Fair Value through OCI (FVTOCI))							
Kotak FMP Series 251 - 1265 Days Direct Plan Growth (Maturity -10-05-2022)	10	5,000,000	578.08	5,000,000	525.34	-	-
Nippon India Fixed Horizon Fund-XXXVII Series IV-Growth-Direct (Earlier Reliance FHF-XXXVII) (Maturity Date -05-04-2022)	10	1,450,000	174.86	1,450,000	158.63	-	-
Total [1(a)]			752.94		683.97		-
(b) Unquoted							
(Carried at Fair Value through OCI (FVTOCI))							
Aditya Birla Sun Life Corporate Bond Fund -Direct-Growth (Earlier Aditya Birla Sun Life Short Term Fund -Direct -Growth)	10	1,368,378	1,079.43	1,368,378	987.50	1,368,378	914.36
Aditya Birla Sun Life Short Term Opportunities Fund -Direct-Growth	10	-	-	-	-	2,505,868	744.68
HDFC Banking & PSU Debt Fund- Direct Plan- Growth	10	-	-	-	-	7,527,609	1,068.06
HDFC Credit Risk Debt Fund - Dir - Growth (Earlier HDFC Corporate Debt Opportunities Fund)	10	-	-	-	-	771,925	115.28
HDFC Floating Rate Debt Fund -Direct Plan -Whole Sale-Growth (Earlier HDFC Floating Rate Income Fund -STP-Direct-Growth)	10	-	-	29,807	9.75	84,969	25.81
HDFC Low Duration Fund- Direct Plan-Retail - Growth	10	-	-	645,333	263.70	-	-
ICICI Prudential Savings Fund-Direct-Growth	100	-	-	1,042	3.76	-	-
ICICI Prudential Short Term Fund-Direct Plan- Growth	10	-	-	4,066,219	1,640.50	4,066,219	1,527.00
IDFC Bond Fund- MTP-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	3,472,694	1,245.42	3,556,545	1,158.83	3,556,545	1,072.45
IDFC Corporate Bond Fund -Direct Plan -Growth	10	186,323	26.02	1,874,971	241.13	1,874,971	224.44
IDFC Bond Fund - Short Term Plan - Direct -Growth (Amount invested on 31-03-2020, however Units (No. of Units 26,530.89 @ 43.3457 per unit) allotted on 03-04-20)	10	-	11.50	-	-	-	-
IDFC Bond Fund- Short Term Plan-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	519,576	225.30	-	-	-	-
Kotak Bond- Short Term- Direct- Growth	10	-	-	5,008,774	1,826.88	5,008,774	1,686.87
Kotak Banking & PSU Debt Fund - Direct- Growth	10	2,815,142	1,341.32	-	-	-	-
Kotak Savings Fund -Direct Plan -Growth	-	-	-	7,578,500	2,315.43	-	-
Nippon India Credit Risk Fund - Direct - Growth (Earlier Reliance Regular Savings Fund - Debt Plan)	10	-	-	-	-	4,429,068	1,121.89
Nippon India Floating Rate Fund - Direct -Growth (Earlier Reliance Floating Rate Fund -Short Term Plan)	10	-	-	-	-	897,256	252.19
UTI Credit Risk Fund - Direct - Growth (Earlier UTI Income Opportunities Fund)	10	-	-	-	-	2,619,094	442.21
UTI Dynamic Bond Fund -Direct Plan-Growth	10	-	-	-	-	1,577,602	326.77
UTI Treasury Advantage Fund- Direct Plan Growth	1,000	11,852	294.46	11,698	304.40	-	-
Total [1(b)]			4,223.45		8,751.88		9,522.01
(2) In Bonds-/NCDs							
Quoted							
(Carried at Amortised Cost)							
9.56%, State Bank of India Perpetual Bond (Call date : 04-12-2023)	1,000,000	100	1,003.27	100	1,004.37	-	-
9.45%, State Bank of India Bonds,Taxable Perpetual Bonds (Call Date-22-03-2024)	1,000,000	199	2,025.22	-	-	-	-
8.60% EXIM Bonds,Taxable Perpetual Bonds (Call Date-31-03-2022)	1,000,000	14	139.01	-	-	-	-
8.40%, TATA Capital Financial Services Ltd, (NCD-Series -III), (5 Years & Call Date- 26-08-2024)	1,000	50,000	500.00	-	-	-	-
8.20% TATA Capital Housing Finance Ltd, (Non-Convertible Debentures-Series -III) (5 Years & Call Date-14-01-2025)	1,000	19,000	190.00	-	-	-	-
Arcus Ltd. (Formerly Known as Parshva Properties Ltd.)	100	-	-	-	-	6,000	3.23

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	Face Value Per Share/ Bond /Unit (In Rs.)	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
		Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)
\$ Less :Amortisation adjustment of Bonds purchased at premium/ discount			-		-		
Total (2)			3,857.50	-	1,004.37		3.23
(3) In Corporate Deposits Unquoted (Carried at Amortised Cost)							
Deposit (Cumulative) with HDFC Ltd. (Coupon @ 8.49% & Maturity Date -09-04-2022)			1,000.00		-		-
Total (3)			1,000.00		-		-
(4) In Equity Shares (a) Quoted (Carried at Fair Value through OCI (FVTOCI))							
Fully paid up shares of :							
Camac Commercial Co. Ltd.	10	35,000	236.94	35,000	205.60	35,000	198.92
Ashoka Viniyoga Ltd.@	10	-	-	-	-	55,000	206.15
HDFC Bank Ltd. (Face value per share reduced from Rs. 2 per share to Re. 1 per share during Financial year 2019-20)	1	2,438,280	21,017.97	1,219,140	28,270.64	1,219,140	22,994.20
Susmit Trading Ltd.\$	10	29,400	0.74	29,400	0.74	29,400	0.74
Jantej Commercial Enterprises Ltd.\$	10	50,000	1.81	50,000	1.81	50,000	1.81
Sagar Investments Ltd. \$	10	100,000	2.50	100,000	2.50	100,000	2.50
The Pioneer Ltd.\$	10	100	0.02	100	0.02	100	0.02
			21,259.98		28,481.31		23,404.34
\$ Less: Provision for Impairment in Value of Investments			5.07		5.07		5.07
Total [4(a)]			21,254.91		28,476.24		23,399.27
(b) Un quoted (Carried at Fair Value through OCI (FVTOCI))							
Fully paid up shares of :							
Bennett,Coleman & Co Ltd. (Includes bonus shares-2,66,63,976)	10	26,665,848	112,311.22	26,665,848	114,073.83	26,665,848	99,687.61
Ashoka Viniyoga Ltd.@	10	55,000	264.45	55,000	231.18	-	-
Excel Publishing House Ltd.	10	23,500	27.22	23,500	26.35	23,500	26.15
Artee Viniyoga Ltd.	10	249,860	148.47	249,860	138.80	249,860	136.12
Times Internet Ltd.##	10	472,812	60.33	472,812	60.09	472,812	66.95
Bennett Property Holdings Company Ltd.#	10	4,444,308	15,279.98	4,444,308	15,047.09	4,444,308	14,602.66
Pearl Printwell Ltd.\$\$	10	19,800	4.01	19,800	4.01	19,800	4.01
			128,095.68		129,581.35		114,523.50
\$\$Less: Provision for Impairment in Value of Investments			4.01		4.01		4.01
Total [4(b)]			128,091.67		129,577.34		114,519.49
(5) Investments in Subsidiaries (wholly owned) (Other than trade - Carried at cost)							
Equity Shares - Unquoted Fully paid up shares of :							
Punjab Mercantile & Traders Ltd.	10	50,000	5.00	50,000	5.00	50,000	5.00
Jacaranda Corporate Services Ltd.	10	2,00,000	20.00	2,00,000	20.00	2,00,000	20.00
Total [5]			25.00		25.00		25.00
Grand Total (1(a)+1(b)+2+3+4(a)+4(b)+5)			159,205.47		168,518.80		147,469.00
Total Investments measured & carried :							
At Fair Value through OCI (FVTOCI)			154,322.97		167,489.43		147,440.77
At Amortised Cost			4,857.50		1,004.37		3.23
At Cost			25.00		25.00		25.00
Total			159,205.47		168,518.80		147,469.00
Total Investments as Quoted and Unquoted :							
Aggregate Value of Quoted Investments			25,865.35		30,164.58		23,402.50
Aggregate Value of Unquoted Investments (Net of Provisions)			133,340.12		138,354.22		124,066.50
Total			159,205.47		168,518.80		147,469.00
Aggregate Value of Provision for Impairment of Quoted Investments			5.07		5.07		5.07
Aggregate Value of Provision for Impairment of Unquoted Investments			4.01		4.01		4.01

*Units are rounded off to the nearest Unit.

In Pursuance of Scheme of arrangement entered between Bennett,Coleman & Co. Ltd.(BCCL) and Bennett Property Holdings Company Limited (BPCL) as approved by the Bombay High Court order dated December,2nd ,2011 the Company has received Shares of BPCL in proportion of 1:6.

In pursuance of Scheme of amalgamation between Times Business Solutions Ltd. and Times Internet Ltd. as approved by Delhi High Court Order dated 17th October,2014 Company has received the Equity Shares of M/s Times Internet Ltd. In the ratio of 100:96 for the equity shares held in M/s Times Business Solutions Ltd.

@ With effect from February 12,2019, the Company has been transferred from CSE to the Dissemination Board of National Stock Exchange, thus Investment in equity shares of the company are reclassified from "Quoted Shares" to Unquoted Shares".

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Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
4 LOAN			
Loan to subsidiary	126.00	-	-
Total	<u>126.00</u>	<u>-</u>	<u>-</u>
5 OTHER FINANCIAL ASSETS			
Interest accrued on loan to subsidiary	5.21	-	-
Interest accrued on bonds and deposits #	195.55	30.91	0.21
Total	<u>200.76</u>	<u>30.91</u>	<u>0.21</u>
# includes interest accrued on bank fixed deposits as on 31-03-2020 -Rs.56.75 Lakh (as on 31-03-2019 & 01-04-2018 -Rs.Nil)			
6 CURRENT TAX ASSETS (NET)			
(Unsecured, considered good)			
Advance income tax & TDS	393.19	205.95	1,138.70
Provision for income tax	-364.57	-182.10	-1,114.75
Total	<u>28.62</u>	<u>23.85</u>	<u>23.95</u>
7 DEFERRED TAX ASSETS (NET)			
Deferred tax assets(net) in respect of :			
Carried forward long term capital losses	-	-	28.71
Accrued expenses allowable on payment basis	1.83	1.92	1.69
Depreciation on property, plant and equipments	0.04	0.02	0.02
Total	<u>1.87</u>	<u>1.94</u>	<u>30.42</u>
Particulars			Tangible Assets Office Equipments (Computers & Others)
8 PROPERTY, PLANT AND EQUIPMENTS			
At Cost			
Gross Carrying Amount			
Deemed cost at at 1st April, 2018 \$			3.77
Additions during the year			1.14
Deletion/Disposals during the year			0.74
Balance as at 31st March, 2019			<u>4.17</u>
Additions during the year			-
Deletion/Disposals during the year			-
Balance as at 31st March, 2020			<u>4.17</u>
Accumulated Depreciation			
Balance as at 1st April, 2018 \$			3.62
Depreciation charge during the year			0.57
Adjustments/Deductions during the year			0.74
Balance as at 31st March, 2019			<u>3.45</u>
Depreciation charge during the year			0.38
Adjustments/Deductions during the year			-
Balance as at 31st March, 2020			<u>3.83</u>

Particulars

Net Carrying Amount

As at 31st March, 2020

As at 31st March, 2019

As at 31st March, 2018 \$

**Tangible Assets
Office Equipments
(Computers & Others)**

0.34
0.72
0.15

\$ The Company has availed the deemed cost exemption in relation to “Property, Plant and Equipments being Office equipments” on the date of transition and hence the net carrying amount has been considered as the ‘gross carrying amount’ on that date and accordingly Depreciation is charged there. ‘The “gross carrying amount” and the ‘accumulated depreciation’ and net carrying amount on 1st April, 2018 under the previous GAAP are disclosed here under :

Deemed cost of property, plant and equipments as at 1st April, 2018

Particulars

Office equipments (Computers & Others)

Gross Carrying Amount as on 1st April, 2018

Accumulated depreciation up to 31st March, 2018

Net Carrying Amount as at 1st April, 2018

Deemed cost as at 1st April, 2018

(Amount in Lakh)

3.77
3.62
0.15
0.15

Particulars

**As at 31.3.2020
(₹ in lakhs)**

As at 31.3.2019
(₹ in lakhs)

As at 01.04.2018
(₹ in lakhs)

9 OTHER NON-FINANCIAL ASSETS

(Unsecured, considered good)

Prepaid expenses

Total

0.22

0.20

0.08

0.22

0.20

0.08

10 OTHER PAYABLES#

Payable to micro and small enterprises

Payable to others

Total

-

-

-

2.89

1.19

1.13

2.89

1.19

1.13

#Based on the information available with the Company in respect of micro, small and medium enterprises, there are no outstanding/ delays in payment of dues to such enterprises. The required details as per the MSMED, 2006 is given below :

Dues to micro, small and medium enterprise under the MSMED Act, 2006

a) Interest paid and payments made to the supplier beyond the appointed day .

b) Interest due and payable for delay (which has been paid but beyond the appointed day), but without adding the interest under the MSMED Act.

c) Amount due and unpaid at the end of accounting year :

- Principal amount and Interest due

- Interest accrued and remaining unpaid

d) Interest remaining due and payable even in the succeeding years.

Nil

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Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
11 OTHER FINANCIAL LIABILITIES			
Unpaid dividends*	3.85	3.75	4.05
Total	<u>3.85</u>	<u>3.75</u>	<u>4.05</u>
* Unencashed/unclaimed portion only			
12 CURRENT TAX LIABILITIES (NET)			
Provision for income tax	-	203.01	-
Less : advance income tax & TDS	-	(201.65)	-
Total	<u>-</u>	<u>1.36</u>	<u>-</u>
13 PROVISIONS			
Provision for employee benefits			
- for leave encashment	2.13	2.38	2.19
- for gratuity	4.46	4.53	3.89
Total	<u>6.59</u>	<u>6.91</u>	<u>6.08</u>
14 DEFERRED TAX LIABILITIES			
Deferred tax liabilities in respect of :			
Fair value changes in debt instruments (FVTOCI)	166.29	204.42	231.58
Fair Value changes in equity instruments (FVTOCI)	33,198.53	35,136.36	30,360.39
Remeasurement of defined benefit plans (FVTOCI)	0.24	0.01	-
Total	<u>33,365.06</u>	<u>35,340.79</u>	<u>30,591.97</u>
15 OTHER NON-FINANCIAL LIABILITIES			
Others			
TDS payable	1.54	0.60	0.25
GST payable	1.48	0.07	0.22
Provident fund payable	0.18	0.18	0.18
Other payables	0.48	-	-
Total	<u>3.68</u>	<u>0.85</u>	<u>0.65</u>
16 SHARE CAPITAL			
Share capital			
Equity share capital			
Authorised share capital			
50,00,000 (P.Y. -50,00,000) equity shares of Rs. 10 each	500.00	500.00	500.00
Total	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>
Issued share capital			
32,00,000 (P.Y. -32,00,000) shares of Rs.10 each	320.00	320.00	320.00
	<u>320.00</u>	<u>320.00</u>	<u>320.00</u>
Subscribed & fully paid share capital			
a) 8,01,288.5 (P.Y. - 8,01,288.5) shares of Rs.10 each fully paid up. (On reduction of share capital through High Court order dated 15-11-1973)	80.13	80.13	80.13
b) 23,98,711.5 (P.Y.-23,98,711.5) shares of Rs.10 each fully paid up (including 131 equity shares of Rs. 10 each in the form of fractional coupons)	239.87	239.87	239.87
Total	<u>320.00</u>	<u>320.00</u>	<u>320.00</u>

(i) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. The payment of dividend will be made in Indian rupees.

In the event of the liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company, after meeting all liabilities.

(ii) Reconciliation of Equity shares held at the beginning and at the end of the year

Particulars	As at 31.3.2020		As at 31.3.2019	
	No. of Shares	Amount in Lakh	No. of Shares	Amount in Lakh
At the beginning of the year	3,200,000	320.00	3,200,000	320.00
Movement during the year	-	-	-	-
At the end of the year	3,200,000	320.00	3,200,000	320.00

(iii) There is no change in the sShare capital in the period of five years immediately preceding the date as at which the Balance Sheet is prepared. There has been no allotment of shares pursuant to contract(s) without payment being received in cash or by way of bonus issue and no shares have been bought back in the five years immediately preceding the Balance Sheet date i.e. 31st March, 2020.

(iv) Details of shareholders holding more than 5 % shares in the Company

Name of the Shareholder	As at 31.3.2020	As at 31.3.2019
	No. of shares	No. of shares
Artee Viniyoga Limited	801,710	801,710
Ashoka Viniyoga Limited	651,660	651,660
Camac Commercial Company Limited	520,000	520,000
Mr. Samir Jain	518,827	518,827
Mrs. Meera Jain	273,604	196,000
Combine Holding Limited	161,437	161,437

Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
17 OTHER EQUITY			
<u>I. Securities premium</u>			
Balance as per last Financial statements	103.91	103.91	103.91
Add/Less : addition/(adjustment) during the year	-	-	-
Balance at the end of the year	<u>103.91</u>	<u>103.91</u>	<u>103.91</u>
<u>II. General Reserve</u>			
Balance as per last financial statements	1,455.16	1,435.16	1,435.16
Add/Less : addition/(Aadjustment) during the year	20.00	20.00	-
Balance at the end of the year	<u>1,475.16</u>	<u>1,455.16</u>	<u>1,435.16</u>
<u>III. Special resrve U/s 45-IC of RBI Act,1934</u>			
Balance as per last financial statements	1,922.05	1,712.36	1,712.36
Add/Less : addition/(adjustment) during the year	205.10	209.69	-
Balance at the end of the year	<u>2,127.15</u>	<u>1,922.05</u>	<u>1,712.36</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
<u>IV. Retained Earnings (Surplus)</u>			
Balance as per last financial statements	5,980.76	5,162.09	5,162.09
Add - Profit for the year	1,048.59	1,071.50	-
Less:- Transfer to general reserve	(20.00)	(20.00)	-
Less:- Transfer to special reserve	(205.10)	(209.69)	-
Less:- Dividend paid	(19.20)	(19.20)	-
Less:- Dividend distribution tax paid	(3.95)	(3.94)	-
Balance at the end of the year	<u>6,781.10</u>	<u>5,980.76</u>	<u>5,162.09</u>
<u>V. Accumulated balance of other comprehensive income (OCI)</u>			
1) Items that will be reclassified to the profit or loss			
Opening balance	714.08	819.04	-
Add/Less : adjustments(net of tax) during the year			
Fair value changes in debt instruments through Other comprehensive income(FVTOCI)	372.51	535.75	1,050.62
Less: reclassified to profit or loss from OCI on sale	(543.82)	(667.87)	-
Less: income tax effect thereon	38.13	27.16	(231.58)
Closing balance	<u>580.90</u>	<u>714.08</u>	<u>819.04</u>
2) Items that will not be reclassified to the profit or loss			
Opening balance	122,737.32	107,378.43	-
Add/Less : Adjustments(net of tax) during the year			
Fair value changes on equity instruments through Other comprehensive income (FVTOCI)	(8,707.01)	20,134.83	137,738.82
Less: income tax effect on above	1,937.83	(4,775.97)	(30,360.39)
Remeasurement of the defined benefit plans	0.81	0.04	-
Less: income tax effect on above	(0.23)	(0.01)	-
Closing balance	<u>115,968.72</u>	<u>122,737.32</u>	<u>107,378.43</u>
Accumulated balance of OCI at the end of the year	116,549.62	123,451.40	108,197.47
Total (I to V)	127,036.94	132,913.28	116,610.99

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Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
18 INTEREST INCOME		
Interest income on investments in bonds, debentures & deposit (measured at amortised cost)	366.82	4.15
Amortisation adjustment of bonds purchased at premium/ discount	(9.38)	(0.04)
Interest income on Loan to subsidiary company (measured at amortised cost)	5.79	-
Interest income on deposits with bank	63.05	-
Total	<u>426.28</u>	<u>4.11</u>
19 OTHERS (UNDER OTHER INCOME)		
Provision for doubtful debts written back	-	18.39
Miscellaneous income	0.05	0.08
Total	<u>0.05</u>	<u>18.47</u>
20 EMPLOYEE BENEFITS EXPENSE		
Salaries	35.86	31.42
Contribution to provident and other funds	1.14	1.14
Provision for gratuity and leave encashment	0.49	0.87
Staff welfare expenses	1.21	0.88
Total	<u>38.70</u>	<u>34.31</u>
21 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on property, plant and equipments (Refer Note -8)	0.38	0.57
	<u>0.38</u>	<u>0.57</u>
22 OTHER EXPENSES		
Director' s sitting Fee	5.40	7.00
Legal and professional charges	11.83	4.14
Travelling & conveyance expenses	4.73	4.87
GST /Service tax paid under reverse charge	2.38	1.45
AGM expenses	1.16	1.14
Printing & stationery	0.95	1.19
Postage & telephone charges	0.73	0.85
Advertisement expenses	0.91	0.72
Listing fees	0.29	0.29
Custodian fees	0.21	0.21
Document storage charges	1.07	0.32
Software charges	0.42	0.39
Manager remuneration	0.12	0.12
Filing fees	0.16	0.12
Auditor' s remuneration \$	0.89	0.89
CSR contribution 2016-17 \$\$	17.62	-
CSR contribution 2017-18 \$\$	16.71	-
CSR contribution 2018-19 \$\$	12.06	-
Miscellaneous expenses	1.34	0.22
Total	<u>78.98</u>	<u>23.92</u>

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Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
\$ Auditor's Remuneration (inclusive of GST) :		
As Auditor		
Audit fees	0.40	0.40
Limited review	0.20	0.20
Other services (certification fees)	0.03	0.03
Out of pocket expenses	0.12	0.12
GST on above	0.14	0.14
Total	0.89	0.89
\$\$ Expenditure towards Corporate Social Responsibility (CSR) activities :		
Gross amount spent as per section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year for the financial year 2016-17, 2017-18, 2018-19	46.39	34.33
Amount spent/contributed in cash during the financial year on :		-
(i) Construction /acquisition of any asset	-	-
(ii) On purpose other than above (i)	46.39	-
Amount unspent as on 31st March, 2020	-	34.33
23 EARNINGS PER SHARE (EPS)		
Profit after tax as per statement of profit and loss (₹ in Lakh)	1,048.59	1,071.50
Weighted average number of equity shares (Face value per equity share ₹ 10/-)	32,00,000	32,00,000
Basic EPS (In ₹)	32.77	33.48
Diluted EPS (In ₹) #	32.77	33.48
# The Company has not issued any potential equity shares, and accordingly, diluted earnings per share is equal to the basic earnings per share.		
24 LOANS TO SUBSIDIARY COMPANY		
Loan to wholly owned subsidiary (punjab mercantile & traders Ltd)		
Maximum outstanding of loan during the year #	126.00	-
(@ 7% p.a. and Repayable on demand, purpose : acquisition of shares of other Cos.)		
Total	126.00	-

Interest accrued on loan of ₹ 5.21 Lakh (net of TDS) as on 31st March, 2020, not considered.

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- 25 The Company is not carrying any business activities except generating income from Investment of surplus funds, thus there is no reportable segment within the meaning of Ind AS - 108 “Operating Segments”.
- 26 The Management is of the opinion that there is no impairment of assets as contemplated in Ind AS -38 “Impairment of Assets”.
- 27 In accordance with the requirements of Ind AS -24 “Related Party Disclosure”, disclosure of Related Parties & Related Party transactions entered into during the year are given below -

(a) **Related parties and nature of relationship :**

Name of related party	Relationship
M/s Punjab Mercantile & Traders Ltd.	Subsidiary Company
M/s Jacaranda Corporate Services Ltd.	Subsidiary Company
Mr. Govind Swarup	Director
Mr. Ashish Verma	Director
Ms. Saumya Agarwal	Director
Mrs. Shweta Saxena	KMP (Company Secretary)
Mr. Vijay Kumar Bakshi	KMP (Manager)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

(b) **Related Party Transactions entered during the year in ordinary course of business and outstanding balances payable/ (Receivable) at the end of the year :**

(₹ in lakhs)

Name of the Party	Nature of Transaction	Amount for the year ended		Amount Outstanding as at	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Punjab Mercantile & Traders Ltd.	Loan Given	126.00	-	126.00	-
	Interest income on Loan	5.79	-	5.21	-
	Margin provided to Bank in connection with Bank Gurantee	Note 1	-	Note 1	-
Mr. Govind Swarup	Director`s sitting fees	2.80	4.00	-	-
Mr. Ashish Verma	Director`s sitting fees	1.60	2.00	-	-
Mrs. Saumya Agarwal	Director`s sitting fees	1.00	1.00	-	-
Mrs. Shweta Saxena	Remuneration#	20.13	18.32	-	-
Mr. Viveka Nand Jha	Remuneration#	15.73	13.10	-	-
Mr. Vijay Kumar Bakshi	Remuneration ##	0.12	0.12	0.12	-

Note 1 : The Company has provided to HDFC Bank its Fixed Deposit as Margin in connection with “Bank Gurantee for a sum of Rs. 150 Lakh in favour of The National Stock Exchange Ltd ” obtained by its wholly owned subsidiary company i.e. Punjab Mercantile & Traders Ltd. The vailidity of Bank Gurantee is up to 07-08-2020 with extended claim period up to 07-08-2021.

Excluding PF and other retiral benefits.

Paid on 15th May, 2020.

28 Foreign Exchange earnings and outgo during the year are as follows:-

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
Earnings & Outgo	Nil	Nil

29 Contingent Liabilities not provided for and Commitments as on 31st March, 2020: Nil (Previous Year as on 31st March, 2019 :-Nil)

30 Income taxes Expenses & reconciliation

(a) (i) Tax expense recognised in the Statement of profit and loss

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
<u>Current tax</u>		
Current Tax	271.54	203.01
MAT Credit Utilised	(109.98)	-
Earlier year tax provision (net)	-	0.10
Total Current tax	161.56	203.11
<u>Deferred tax</u>		
Relating to origination and reversal of temporary difference	0.07	28.48
Total deferred tax charge/(credit)	0.07	28.48
Total Income tax expense reported in the Statement of Profit and Loss	161.63	231.59

(ii) Tax expense recognised in the Statement of Other Comprehensive Income

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
<u>Deferred tax Charge / (Credit) on :</u>		
<u>(I) Items that will be reclassified to the profit or loss</u>		
Fair Value Changes in Debt instruments through OCI (FVTOCI)	(38.13)	(27.16)
<u>(II) Items that will not be reclassified to the profit or loss</u>		
Fair Value Changes in Equity instruments through OCI (FVTOCI)	(1,937.83)	4,775.97
Remeasurement of the defined benefit plans	0.23	0.01
Total Deferred tax charge/ (credit) in the Statement of Other Comprehensive Income (I+II)	(1,975.73)	4,748.82

(b) Reconciliation of Current tax expenses

Reconciliation of Current tax expenses between “Amount calculated as Accounting Profit multiplied by the statutory income tax rate applicable to the Company” and “Current Tax Expenses as per effective income tax rate reported in the Statement of Profit and Loss of the Company” is given below :

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
Profit before Tax (Amount in Lakh)	1,210.22	1,303.09
Enacted Income Tax rates (including applicable Cess) in India (%)	27.82%	27.82%
Tax at the enacted income tax rate of 27.82 % (Previous Year : 27.82 %) (In Lakh)	336.68	362.52
<u>Tax effects of amounts which are not deductible/taxable in computing taxable Income</u>		
CSR Expenditure	12.91	-
Disallowance under section 14 A	0.39	0.39
Tax at Lower Rate in case of Capital Gain (In Lakh)	(6.95)	(124.58)
Other Adjustments (In Lakh)	2.80	58.40
<u>Tax effects of amounts which are deductible /non taxable in computing taxable Income</u>		
Dividend Income	(67.83)	(88.60)
Other adjustments	(6.45)	(5.12)
Sub Total	271.54	203.01
MAT Credit Utilised	(109.98)	-
Earlier year tax provision (net)	-	0.10
Current Tax expense reported in Statement of Profit and Loss (In Lakh)	161.56	203.11

(c) The movement in Deferred Tax Liabilities during the year ended March 31, 2019 and March 31, 2020:

Particulars	As at April 01, 2018	Credit/ (charge) in Statement of Other Comprehensive income	As at March 31, 2019	Credit/ (charge) in Statement of Other Comprehensive income	As at March 31, 2020
<u>Deferred tax Liabilities on :</u>					
Fair Value Changes in Debt instruments through OCI (FVTOCI)	231.58	(27.16)	204.42	(38.13)	166.29
Fair Value Changes in Equity instruments through OCI (FVTOCI)	30360.39	4,775.97	35,136.36	(1,937.83)	33,198.53
Remeasurement of Defined benefit plans	-	0.01	0.01	0.23	0.24
Total	30,591.97	4,748.82	35,340.79	(1,975.73)	33,365.06

31 EMPLOYEE BENEFITS

I). During the year, Liability of Company as an employer towards contribution to Provident fund has been recognized as an Expenses in the Statement of Profit and Loss. The detail is given below :

Defined Contribution Plan

Employer’s Contribution to Provident Funds - **Rs. 1.14 Lakh** (Previous year : Rs. 1.14 Lakh)

II). Gratuity and Other Post employment benefit plans :

During the year, the company has recognised the expenses and liability towards Gratuity and Leave Encashment based on Actuarial Valuation in conformity with the principles set out in the Indian Accounting Standards -19. The detail are given below :

(a) The assumptions used to determine the benefit obligations are as follows:

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Discounting Rate (p.a.)	6.84%	7.65%	6.84%	7.65%
Future Salary Increase (p.a.)	1st Year 0% and thereafter 6.84%	8.00%	1st Year 0% and thereafter 6.84%	6.50%
Expected Rate of Return of plan Assets	N.A	N.A	N.A	N.A
Expected Average Remaining working lives of employees (years)	17.92	18.92	17.92	18.92
Mortality Table used	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Retirement Age (years)	58	58	58	58
Withdrawal Rate (%)				
Up to 30 years	3	3	3	3
From 31 to 44 years	2	2	2	2
Above 44 years	1	1	1	1

(b) Change in Present value of obligation/ Defined Benefit Obligations :

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Present value of obligation(PBO) at beginning of year	4.53	3.88	2.38	2.20
Past service cost	-	-	-	-
Current service cost	0.39	0.44	0.19	0.23
Net Interest cost	0.35	0.25	0.18	0.14
Benefits paid	-	-	-	-
Remeasurement [Actuarial (-) gain /loss]	(0.81)	(0.04)	(0.62)	(0.19)
Present value of obligation at year end	4.46	4.53	2.13	2.38
Break up of PBO at end of the year				
Current Liability (within 12 Months)	0.10	0.09	0.05	0.05
Non-Current Liability	4.36	4.44	2.08	2.33

(c) Liability recognised in the Balance Sheet:

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Liability Amount (Net) at beginning of year	4.53	3.88	2.38	2.20
Provisions made/(Reversed) during the year	0.74	0.69	0.37	0.37
Benefits paid	-	-	-	-
Remeasurement [Actuarial (-) gain /loss]	(0.81)	(0.04)	(0.62)	(0.19)
Liability Amount (Net) at year end	4.46	4.53	2.13	2.38

(d) Expense/ (Income) recognized in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Current service cost	0.39	0.44	0.19	0.23
Net Interest cost	0.35	0.25	0.18	0.14
Net actuarial (-) gain / loss recognized in the year	-	-	(0.62)	(0.19)
Expenses recognized in the Statement of Profit and Loss	0.74	0.69	(0.25)	0.18

(e) Expenses / (Income) recognised in Other Comprehensive Income (OCI)

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Actuarial (-) gain / loss for the year on PBO	(0.81)	(0.04)	-	-
Actuarial (-) gain / loss for the year on Plan Asset	-	-	-	-
Net actuarial (-) gain / loss recognized OCI during the year	(0.81)	(0.04)	-	-

(f) Sensitivity analysis :

Particulars	Gratuity	Leave Encashment
	31/3/2020	31/3/2020
Impact of the change in discount rate		
Present value of Obligation at the end of the year	4.46	2.13
(i) Impact due to increase of 0.5%	(0.31)	(0.15)
(i) Impact due to decrease of 0.5%	0.34	0.16
Impact of the change in Salary increase		
Present value of Obligation at the end of the year	4.46	2.13
(i) Impact due to increase of 0.5%	0.34	0.16
(i) Impact due to decrease of 0.5%	(0.31)	(0.15)

(g) Maturity Profile of Defined Benefit Obligations :

Particulars	Gratuity	Leave Encashment
	31/3/2020	31/3/2020
a) 0 to 1 Year	0.10	0.05
b) 1 to 2 Year	0.10	0.05
c) 2 to 3 Year	0.09	0.04
d) 3 to 4 Year	0.08	0.04
e) 4 to 5 Year	0.08	0.04
f) 5 to 6 Year	0.05	0.02
g) 6 year onwards	3.96	1.89

32 FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an Opening Ind AS balance sheet at April 01, 2018 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards". An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out as follows :

I. Exemptions and Exceptions availed

Ind AS 101 allows first-time adopters certain Mandatory Exceptions and Optional exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the followings in the transition from Previous GAAP to Ind AS, which are considered to be material or significant for the company :

A. Ind AS optional exemptions

(i) Deemed Cost for Property, Plant and Equipments

The Company on first time adoption of Ind AS, has elected to continue with the carrying value for all of its Property, Plant and Equipments as recognised in the financial statements as fixed assets at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

(ii) Deemed Cost for Investment in Subsidiary /Associates

The Company present Separate financial statement wherein Ind AS 27 requires it to measure its Investment in Subsidiary and / or Associate either at Cost or in accordance with Ind AS 109 . The Company at first time adoption of Ind AS has measured such investment at Cost in accordance with Ind AS -27, wherein it has option to measure the Investments in its separate Opening Ind AS Balance sheet at Cost as determined as per Ind AS -27 or Deemed cost as per Ind AS-101.

Deemed cost shall be fair value at the date of transition to Ind AS in Separate financial statement or Previous GAAP Carrying amount as on that date. The Company has adopted deemed cost being Previous GAAP Carrying amount as on date of transition.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). 'Ind AS estimates as at April 01, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following items in accordance with Ind AS at the date of transition as this was not required under previous GAAP :

- (a) Investments in Equity Instruments carried at fair value through Other comprehensive Income (FVTOCI).
- (b) Investments in Debt Instruments (being Debt based Mutual Funds) carried at FVTOCI.
- (c) Impairment of financial assets based on expected credit loss model.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments being Bonds / Debentures / Debt based MF etc.) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iii) De-recognition of financial assets and financial liabilities

The Company has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

II. Reconciliations between Previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (1) Reconciliation of Equity as at April 1, 2018 and March 31, 2019
- (2) (a). Reconciliation of Balance sheet as at April 1, 2018 (Transition date) and as at March 31, 2019
- (b). Reconciliation of Profit and Loss & Other comprehensive income for the year ended March 31, 2019
- (c). Reconciliation of total comprehensive income for the year ended March 31, 2019
- (3) Impact on cash flow statement for the year ended March 31, 2019

The presentation requirements under previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

(II) Reconciliation between previous IGAAP and Ind AS

(1) Reconciliation of Equity as at April 1, 2018 and March 31, 2019 : (₹ in lakhs)

Particulars	Ref. Notes on Adjustments	Opening Balance Sheet as at 01st April 2018			Closing Balance Sheet as at 31st March 2019		
		IGAAP	Effects of transition to Ind-AS	Ind-AS	IGAAP	Effects of transition to Ind-AS	Ind-AS
Total equity (shareholders' funds) under previous GAAP							
Equity Share Capital		320.00	-	320.00	320.00	-	320.00
Reserve & Surplus		8,413.52	-	8,413.52	9,461.96		9,461.96
Ind AS Adjustments increasing / (decreasing) of Net Profit (part of Reserve & Surplus) :							
Investment in Bonds at Amortised Cost	18	-	-	-	-	(0.04)	(0.04)
Remeasurement of the defined benefit plans	20	-	-	-	-	(0.04)	(0.04)
<u>Other comprehensive income (OCI) :</u>	17						
Fair Valuation of Debt Instruments through OCI			1,050.62	1,050.62		918.50	918.50
Tax adjustments			(231.58)	(231.58)		(204.42)	(204.42)
Fair Valuation of Equity Instruments through OCI			137,738.82	137,738.82		157,873.65	157,873.65
Tax adjustments			(30,360.39)	(30,360.39)		(35,136.36)	(35,136.36)
Remeasurement of the defined benefit plans			-	-	-	0.04	0.04
Tax adjustments			-	-		(0.01)	(0.01)
Total adjustment to equity			108,197.47			123,451.32	
Total equity (shareholders' funds) under Ind-AS		8,733.52	108,197.47	116,930.99	9,781.96	123,451.32	133,233.28

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(2) (a). Reconciliation of Balance sheet as at April 1, 2018 (transition date) and as at March 31, 2019 :

Particulars	Notes on Adjustments	Opening Balance Sheet as at 01st April 2018			Closing Balance Sheet as at 31st March 2019		
		IGAAP	Effects of transition to Ind-AS	Ind-AS	IGAAP	Effects of transition to Ind-AS	Ind-AS
ASSETS							
Financial assets							
Cash and cash equivalents		7.01	-	7.01	7.97	-	7.97
Bank balances other than above		4.05		4.05	3.74	-	3.74
Investments	3 & 17	8,679.56	138,789.44	147,469.00	9,726.69	158,792.11	168,518.80
Other financial assets		0.21		0.21	30.91	-	30.91
Non financial assets							
Current tax assets (Net)		23.95	-	23.95	23.85	-	23.85
Deferred tax Assets (net)		30.42	-	30.42	1.94	-	1.94
Property, Plant and Equipments		0.15	-	0.15	0.72	-	0.72
Other Non -Financial assets		0.08	-	0.08	0.20	-	0.20
TOTAL ASSETS		8,745.43	138,789.44	147,534.87	9,796.02	158,792.11	168,588.13
LIABILITIES AND EQUITY							
Liabilities							
Financial Liabilities							
Payables							
Other Payables							
Dues of Micro and Small Enterprises		-	-	-	-	-	-
Dues of Other Creditors		1.13	-	1.13	1.19	-	1.19
Other financial Liabilities		4.05	-	4.05	3.75	-	3.75
Non- Financial Liabilities							
Current Tax Liabilities (Net)		-	-	-	1.36	-	1.36
Provisions		6.08	-	6.08	6.91	-	6.91
Deferred Tax Liabilities	14 & 17	-	30,591.97	30,591.97	-	35,340.79	35,340.79
Other Non-financial liabilities		0.65	-	0.65	0.85	-	0.85
Equity							
Equity share capital		320.00	-	320.00	320.00	-	320.00
Other Equity	17	8,413.52	108,197.47	116,610.99	9,461.96	123,451.32	132,913.28
TOTAL LIABILITIES AND EQUITY		8,745.43	138,789.44	147,534.87	9,796.02	158,792.11	168,588.13

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(2)(b). Reconciliation of Profit and Loss & Other comprehensive income for the year ended March 31, 2019 :

Particulars	Reference Notes on Adjustments	Year ended 31st March 2019		
		IGAAP	Effects of transition to Ind AS	Ind AS
Income				
Interest Income	18	4.15	(0.04)	4.11
Dividend Income from Equity Instruments		318.48	-	318.48
Gain on redemption of Investments in Mutual Funds		871.78	-	871.78
Others		18.47	-	18.47
Total Income		1,212.88	(0.04)	1,212.84
Expenses				
Employee benefits expense	20	34.27	0.04	34.31
Depreciation and Amortization expense		0.57	-	0.57
Other Expenses		23.92	-	23.92
Total Expenses		58.76	0.04	58.80
Profit before Exceptional Items and Tax		1,154.12	(0.08)	1,154.04
Exceptional items - Interest realised on Loan		149.05	-	149.05
Profit Before Tax		1,303.17	(0.08)	1,303.09
Tax Expense :				
Current Tax		203.01	-	203.01
Deferred tax Charge/(-)Credit		28.48	-	28.48
Earlier year tax provision (net)		0.10	-	0.10
Profit after Tax for the year (A)		1,071.58	(0.08)	1,071.50
Other Comprehensive Income				
<u>Items that will be reclassified to the profit or loss</u>				
Fair Value Changes in Debt instruments through Other Comprehensive Income(FVTOCI)		-	535.75	535.75
Less: Reclassified to profit or loss from OCI on sale		-	(667.87)	(667.87)
Less: Income tax effect on above		-	27.16	27.16
<u>Items that will not be reclassified to the profit or loss</u>				
Fair Value Changes on Equity instruments through Other Comprehensive Income (FVTOCI)		-	20,134.83	20,134.83
Less: Income tax effect on above		-	(4,775.97)	(4,775.97)
Remeasurement of the defined benefit plans		-	0.04	0.04
Less: Income tax effect on above		-	(0.01)	(0.01)
Total Other comprehensive Income, net of tax (B)		-	15,253.93	15,253.93
Total Comprehensive Income for the year (A+B)		1,071.58	15,253.85	16,325.43

(2) (c). Reconciliation of Total comprehensive income for the year ended March 31, 2019 :

Particulars	Notes on Adjustments	Year ended 31st March 2019		
		IGAAP	Effects of transition to Ind AS	Ind AS
Profit after Tax as per previous IGAAP #		1,071.58		1,071.58
Total effect of transition to Ind-AS		-	(0.08)	(0.08)
Profit after Tax as per Ind-AS		1,071.58		1,071.50
Other comprehensive income for the year (net of tax)		-	15,253.93	15,253.93
Total comprehensive income under Ind-AS		1,071.58	15,253.85	16,325.43

Under previous GAAP, total comprehensive income was not reported. therefore, the above reconciliation starts with Profit under the previous GAAP.

(3) Reconciliation Statement of Cash Flow as previously reported under IGAAP to Ind AS for the year ended 31st March, 2019:

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

III Notes to First-time adoption:

(a) Retained Earnings (Surplus)

Retained earnings as at 1st April, 2018 & 31st March, 2019 has been adjusted consequent to the above Ind AS transition adjustments.

(b) Financial Liabilities:

Financial liabilities which were recognised at historical cost under previous GAAP, have been recognised at amortised cost under IND AS with the difference, if any, in case of Financial liabilities having other than short term maturities, are adjusted to Opening retained earnings at the date of transition.

(c) Financial Assets

Under the previous GAAP, Investments in Debt instruments being Bonds, Debentures, Debt mutual fund units etc. were classified as long term (other than Trade) investments based on the intended holding period and its realisability and were carried at cost less provision for other than temporary decline in value of such investments. Under Ind AS, these investments are required to be measured Either at Amortised Cost by applying Effective Interest Rate OR At Fair Value through Other Comprehensive income (FVTOCI) as per Business Model and Cash flow characteristics. The Financial assets measured at FVTOCI, the resulting fair value changes have been recognized in Other Comprehensive Income for the year ended 31st March, 2019 and at the date of transition i.e. 01-04-2018, difference between Fair value of these FVTOCI Investments and Previous GAAP carrying amount has been recognised as a separate component of Equity as “Accumulated Balance of OCI : Debt Instruments through OCI”, net of related deferred Taxes.

Under the previous GAAP, investments in Quoted and Unquoted equity Shares were classified as Long term (non trade) investments and carried at cost less provision for other than temporary decline in value of such investments. Under Ind AS the company has designated such Investments (other than Investment in Subsidiary/ Associates) as Investments measured at fair value through Other Comprehensive income (FVTOCI). At the date of transition, difference between these Investments fair value and Previous GAAP carrying amount has been recognised as a separate component of Equity as “Accumulated Balance of OCI : Equity Instruments through OCI”, net of related deferred Taxes. Further, the Equity Shares measured at Fair value through OCI, the resulting fair value changes, net of related deferred taxes have been recognized in Other Comprehensive Income for the year ended 31st March, 2019.

(d) Other Comprehensive Income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit and loss for the period, unless a standard required or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in the statement of profit and loss as “Other Comprehensive Income” includes Remeasurement (actuarial gain /loss) of defined benefit plans, Fair value changes of financial instruments i.e. Investment in Equity Shares (other than Investment in Subsidiary/Associates) , Investment in Debt based Mutual Funds etc.) measured at Fair value through OCI . The concept of other comprehensive income did not exist under previous GAAP.

(e) Deferred taxes:

Under previous GAAP, deferred taxes were recognised based on profit and loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is being recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax liability have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has been recognised to the extent Company has reasonable certainty over future taxable profits as against virtual certainty under the previous GAAP.

(f) Remeasurement of Defined benefit Plans (Post employment benefit plans)

Under Ind AS, remeasurements i.e. actuarial gains /losses and return on plan assets, excluding amount included in the net interest expenses on the net defined benefit liability are recognised in Other Comprehensive Income(OCI) instead of Profit or Loss.’Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year . There is no impact on the Total equity.

(g) Proposed Dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as subsequent events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as liability/ provision. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting i.e. in next financial year.

33 FAIR VALUE MEASUREMENTS :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a orderly transactions in the principal (Or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The following methods and assumptions are used to estimate the fair value :

- (a) The fair value of quoted equity Shares is derived from quoted market prices in active markets.
- (b) The fair value of Unquoted Equity shares (FVTOCI financial instruments) is derived as per Level 3 techniques, in case Observable market data is not available.
- (c) The fair value of Mutual Funds is derived from the available declared /Quoted NAV of units.
- (d) Assets held for collection of contractual cash flow where cash flows represent sole payment of Principle and Interest like Bonds/ Debentures /Corporate Deposit are measured at Amortised Cost. Interest income from these financial assets is calculated using the effective Interest rate method.

The management has assessed that cash and cash equivalents, Other Receivables (Financial assets) and trade payables are approximate at their carrying amounts largely due to the short term maturities of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices /declared NAVs in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: inputs which are not based on observable market data.

Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March, 2020 are as follows:

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carry-ing Value	Fair Value
Financial Assets					
Cash and cash equivalents	-	-	5.88	5.88	5.88
Bank balances other than above	-	-	1,169.85	1,169.85	1,169.85
Investments :					
Debt mutual Funds	-	4,976.39	-	4,976.39	4,976.39
Bonds /debentures	-	-	3,857.50	3,857.50	3,857.50
Corporate deposits	-	-	1,000.00	1,000.00	1,000.00
Equity shares (other than Investment in Sub-sidiary)	-	149,346.58	-	149,346.58	149,346.58
Loan	-	-	126.00	126.00	126.00
Other financial assets	-	-	200.76	200.76	200.76
Total	-	154,322.97	6,359.99	160,682.96	160,682.96
Financial Liabilities					
Other Payables	-	-	2.89	2.89	2.89
Other financial Liabilities	-	-	3.85	3.85	3.85
Total	-	-	6.74	6.74	6.74

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The carrying value and fair value of financial instruments by categories as at 31st March, 2019 are as follows:

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial Assets					
Cash and cash equivalents	-	-	7.97	7.97	7.97
Bank balances other than above	-	-	3.74	3.74	3.74
Investments :					
Debt mutual Funds	-	9,435.85	-	9,435.85	9,435.85
Bonds /Debentures	-	-	1,004.37	1,004.37	1,004.37
Corporate Deposits	-	-	-	-	-
Equity Shares (other than Investment in Subsidiary)	-	158,053.58	-	158,053.58	158,053.58
Other financial assets	-	-	30.91	30.91	30.91
Total		167,489.43	1,046.99	168,536.42	168,536.42
Financial liabilities					
Other Payables	-	-	1.19	1.19	1.19
Other financial Liabilities	-	-	3.75	3.75	3.75
Total	-	-	4.94	4.94	4.94

The carrying value and fair value of financial instruments by categories as at 1st April 2018 are as follows:

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial Assets					
Cash and cash equivalents	-	-	7.01	7.01	7.01
Bank balances other than above	-	-	4.05	4.05	4.05
Investments :					
Debt mutual Funds	-	9,522.01	-	9,522.01	9,522.01
Bonds /Debentures	-	-	3.23	3.23	3.23
Equity Shares (other than Investment in Subsidiary)	-	137,918.76	-	137,918.76	137,918.76
Other financial assets	-	-	0.21	0.21	0.21
Total	-	147,440.77	14.50	147,455.27	147,455.27
Financial liabilities					
Other Payables	-	-	1.13	1.13	1.13
Other financial Liabilities	-	-	4.05	4.05	4.05
Total	-	-	5.18	5.18	5.18

Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

For Financial assets which are carried at fair value, the classification of fair value calculations by category is summarised below:

(₹ in lakhs)

Particulars	Carrying Value	Fair Values					
		measured through Profit and Loss (FVTPL)			measured through OCI (FVTOCI)		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
As at 31st March, 2020							
Financial Assets							
Debt mutual Funds	4,976.39	-	-	-	4,976.39	-	-
Equity Shares (other than Investment in Subsidiary)	149,346.58	-	-	-	21,017.97	-	128,328.61
	154,322.97	-	-	-	25,994.36	-	128,328.61
As at 31st March, 2019							
Financial Assets							
Debt mutual Funds	9,435.85	-	-	-	9,435.85	-	-
Equity Shares (other than Investment in Subsidiary)	158,053.58	-	-	-	28,270.64	-	129,782.94
	167,489.43	-	-	-	37,706.49	-	129,782.94
As at 1st April, 2018							
Financial Assets							
Debt mutual Funds	9,522.01	-	-	-	9,522.01	-	-
Equity Shares (other than Investment in Subsidiary)	137,918.76	-	-	-	22,994.20	-	114,924.56
	147,440.77	-	-	-	32,516.21	-	114,924.56

There are no changes in classification and no movements between the fair value hierarchy classifications of financial assets during the years.

34 CAPITAL MANAGEMENT :

a) Objective, policies and Processes of Capital Management

The Company is cash surplus and Capital structure of the Company consists of Equity capital only i.e. Paid up Equity share capital and Retained earnings and other accumulated reserves disclosed in the Statement of Changes in Equity. The company does not have any borrowings.

Investment objective while managing Fund of the company is to provide safety and to generate steady return from low risk investment avenues. The surplus fund of the company is being invested in Income generating debt instruments i.e. Bonds , Corporate Deposits & Debt based Mutual Funds and In Equity Shares . Dividend Income is being received on Equity Instruments.

The Company's objectives when managing capital are to :

- (i) maximize the shareholder value with Low risk, and
- (ii) safeguard their ability to continue as a going concern, so that they can continue to provide returns and growth to shareholders and benefits for other stakeholders.

No changes are made in the objectives, policies and process of capital management during the reported years.

(b) Dividend on Equity Shares

Proposed Dividend not recognised at the end of reporting year

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Proposed Dividend for the year ended 31st March, 2020 of Rs.0.60 per Equity Share (Rs 0.60 per Equity Share for year ended 31st March, 2019)	19.20	19.20
Dividend Distribution Tax (DDT) on Proposed Dividend	-	3.95

Proposed Dividend on Equity Shares, which are subject to approval at the annual general meeting are not recognised as a liability (including DDT thereon) in the financial statements of the year in which it is proposed.

During current financial year ended on 31st March, 2020, the Proposed dividend for the year ended 31st March, 2019 has been paid after its approval at Annual General meeting. Dividend paid to Equity shareholders along with DDT thereon has been recognised directly in Retained Earnings (Equity).

35 FINANCIAL RISK MANAGEMENT

The Company is not carrying any business operations, however income has been generated from Investments of its surplus funds being Investment in Debt Securities, Equity Instruments and Bank Deposits. The Company's financial assets are Investment in Debt Securities (Bonds, Debentures, Corporate Deposits, Debt based Mutual Funds, etc.) Cash and Cash equivalents, Bank Deposits other than cash and Cash equivalents, Loan and Other Receivables & Financial Liabilities are Trade/other payables and Other Financial liabilities.

The Company's activities expose to financial risk i.e. Liquidity Risk, Market Risk, Credit risk etc. The Board of Directors provide guiding principles for overall risk management, as well as principle for investment of available funds including review of such policies for managing each of applicable type of financial risks, which are summarised as below :

(a) Liquidity risk

The Company's principal source of liquidity are "Cash and Cash equivalents" and Cash in flow that are generated from income from Investments. Liquidity risk is defined as a risk that the company will not be able to settle or meet its obligations on time.

Liquidity risk management implies maintenance of sufficient cash to meet the obligations as and when due. The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. The company has invested its surplus fund also in fixed income securities /instruments of similar profile thereby ensuring availability of liquidity as and when required. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company and accordingly, no liquidity risk is perceived.

The following is the contractual maturities of the financial liabilities:

(₹ in lakhs)

Particulars	Carrying amount (At amortised Cost)	1-12 months	More than 12 months
<u>Non-derivative liabilities</u>			
<u>As at March 31, 2020</u>			
Other payables	2.89	2.89	-
Other financial liabilities	3.85	3.85	-
Total	6.74	2.89	-
<u>As at March 31, 2019</u>			
Other payables	1.19	1.19	-
Other financial liabilities	3.75	3.75	-
Total	4.94	4.94	-
<u>As at April 01, 2018</u>			
Other payables	1.13	1.13	-
Other financial liabilities	4.05	4.05	-
Total	5.18	5.18	-

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk generally comprises three types of risk: Interest rate risk, Currency risk and Price risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including quoted investments, deposits, foreign currency receivables, payables and loans and borrowings.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has neither payables & receivables in foreign currency, not holding Foreign Assets and also not entered into transactions in the foreign currency during the year under report, therefore the company activities are not exposed to foreign exchange risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The company interest rate risk from Investments is in Debt securities (Bonds, Debentures, Corporate deposits etc.). In order to optimise the company's position with regard to Interest Income, the management manages the Interest rate risk by diversifying its Debt Investments portfolio across tenures.

(iii) Price Risk

Price risk arises due to volatility in the market prices of financial instruments for which market prices are available (i.e. Quoted price for quoted equity shares and Declared NAV/ Quoted NAV for Debt based MF). The Company is exposed to price risk arising mainly from Investment measured at Fair value through OCI (FVTOCI) being Equity Shares (Quoted) and Debt based Mutual Funds. The Company's exposure to Debt based mutual funds falls in very low risk category due to investments are in high rated schemes. To optimise Price risk, policy of diversification has been followed in case company's Debt based MF portfolio. As regards the Company's investment in Unquoted Equity Shares, which are long term in nature and fair valuation of these Investments are largely depend on performance of these company and hence the price risk emanating from shortfall in performance has been reviewed closely.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is not carrying any business activities and thus has no transactions with customers. In case of the Company's Investment portfolio, Credit risk may arise from Bank Balances (including Fixed Deposits) and Investment in Debt securities like Bonds, Debentures, Corporate Deposits and Debt based Mutual Funds.

To manage Credit Risk on these financial assets, the company has an investment policy which allows the company to invest only in high rated schemes/ papers/ bonds /NCD /Corporate deposits etc. considering the safety of Investment first along with lower risk and reasonable returns. The company tracks credit worthiness of counterparty and closely reviews the rating of investments and takes immediate suitable remedial actions as far as possible.

36 In August 2019, certain shareholders of the Company had filed complaints against the Company on the SEBI Complaints Redress System ("SCORES") platform, inter-alia levelling certain allegations regarding the shareholding disclosures of the Company. The Company had duly provided its response vide letter dated August 28, 2019 in relation to said complaints. Thereafter, certain aggrieved shareholders ("Appellant Shareholders") filed an appeal before the Securities Appellate Tribunal ("SAT"), wherein the SAT has directed the Appellant Shareholders to file a consolidated application before Securities and Exchange Board of India ("SEBI") and SEBI has been directed to decide on the said application in a time bound manner. We believe that the allegations made by the shareholders have no substance. Further, these allegations have no impact on the financial statements of the Company.

37 The Company is registered with RBI as Non-deposit taking company and Ind AS is applicable on company w.e.f. 01-04-2019. Financial instruments held by company are measured at fair value and unrealised gains on fair valuation has been recognised as per applicable Ind AS provisions.

As per the RBI Notification/ circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020, in case of Ind AS Complying NBFC company, the unrealised gains arising on fair valuation of financial instruments including such gains arising on transition to Ind AS are not be included in Owned Funds whereas all such net losses are to be considered. Thus Unrealised gains arisen on transition date i.e. 01-04-2018 and thereafter have not been considered while calculating Asset size of company for F.Y. 2019-20 and accordingly Assets size of company is considered as less than 500 crore and company continues to be "Non Systematically Important Non-deposit taking NBFC".

38 RECENT ACCOUNTING PRONOUNCEMENTS

I. **Transition to Ind AS 116 :**

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Since the company has no lease transactions, thus there is no impact of the notified Lease standard (Ind AS-116) on company.

II. **New material accounting pronouncements, which are not yet effective**

The Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

39 **Previous Year Figures have been re-grouped/re-casted wherever considered necessary to conform to this year’s classification.**

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAY3673

Govind Swarup

Director

DIN: 00003145

Mohit Jain

Director

DIN: 01315482

Place: New Delhi

Date: June 26, 2020

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

Shweta Saxena

Company Secretary

Membership No. A18585

PNB FINANCE AND INDUSTRIES LIMITED

Schedule to the Balance Sheet of Non- Systemetically Important Non -Deposit taking non -banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial Company- Non-Systemetically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016)

	Particulars	As on March 31, 2020	
		Amount outstanding (₹ in lakhs)	Amount overdue (₹ in lakhs)
	Liabilities side :		
1	Loans and advances availed by the non -banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(Other than falling within the meaning of public deposits)		
	(b) Deferred credits	NIL	NIL
	(c) Term loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial paper	NIL	NIL
	(f) Public deposits	NIL	NIL
	(g) Other loans (specify nature)	NIL	NIL
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid:		
	(a) In the form of unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures	NIL	NIL
	(c) Other public deposits	NIL	NIL
	Assets side :	Amount outstanding	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below] :	126.00	
	a) Secured	NIL	
	b) Unsecured	NIL	
4	Break up of leased assets and stock on hire and other assets counting towards asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors:	NIL	
	(a) Financial lease	NIL	
	(b) Operating lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors:	NIL	
	(a) Assets on hire	NIL	
	(b) Repossessed assets	NIL	
	(iii) Other loans counting towards asset financing activities	NIL	
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	
5	Break-up of investments :		
	Current Investments :		
	1. Quoted:		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debentures and bonds	NIL	
	(iii) Units of mutual funds	NIL	
	(iv) Government securities	NIL	
	(v) Others (please specify)	NIL	
	2. Unquoted		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debentures and bonds	NIL	
	(iii) Units of mutual funds	NIL	
	(iv) Government securities	NIL	
	(v) Others (Please specify)	NIL	

PNB FINANCE AND INDUSTRIES LIMITED

	Assets side :	Amount outstanding		
	Long term investments :			
	1. Quoted:			
	(i) Shares : (a) Equity	149.47		
	(b) Preference	NIL		
	(ii) Debentures and bonds	3857.50		
	(iii) Units of mutual funds	645.00		
	(iv) Government securities	NIL		
	(v) Others (Please specify)	NIL		
	2. Unquoted			
	(i) Shares : (a) Equity	64.55		
	(b) Preference	NIL		
	(ii) Debentures and bonds	NIL		
	(iii) Units of mutual funds	3584.20		
	(iv) Government securities	NIL		
	(v) Others (please specify)	1000.00		
6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
	Category	Amount of net provisions		
		Secured	Unsecured	Total
	1. Related parties *	NIL	NIL	NIL
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
	2. Other than related parties	NIL	NIL	NIL
	Total	NIL	NIL	NIL
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category	Market value/Break-up or fair value or NAV	Book value (net of provisions)	
	1. Related parties *			
	(a) Subsidiaries	108,312.54	25.00	
	(b) Companies in the same group [#]	-	NIL	
	(c) Other related parties	NIL	NIL	
	2. Other than related parties	159,193.98	9,266.64	
	Total	267,506.52	9,291.64	
8.	Other information			
	Particulars	Amount		
	I Gross non-performing assets			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
	II Net non-performing assets			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
	III Assets acquired in satisfaction of debt	NIL		

The break up value of investments in unlisted companies having negative net worth has been taken at Nil above.

Note 1: The Company is following Ind AS from financial year 2019-20 onwards and as per the RBI Notification/ circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020, in case of Ind AS complying NBFC company, the unrealised gains arising on fair valuation of financial instruments including such gains arising on transition to Ind AS are not be included in Owned Funds whereas all such net losses are to be considered.

Under this Schedule, Amount outstanding of Loans (in 3 above), Amount outstanding of Investments (in 5 above) and Book Value of All Investments net of Provisions (in 7 above), as on 31-03-2020 has been reported at Cost.

* Company in the same group is being disclosed on the same line as per financial year 2018-19.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PNB FINANCE AND INDUSTRIES LIMITED

Report on the Audit of Consolidated Financial Statements for the year ended 31st March, 2020

Opinion

We have audited the accompanying consolidated financial statements of **PNB Finance and Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies, Note and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, the consolidated profit and loss and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming

our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance /conclusion thereon.

Management's Responsibility and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit & loss and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies and its implementation and maintenance, 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements

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

- a) Identify and assess the risks of material misstatement of the consolidated 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
- b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- d) 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 Group'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 consolidated 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 Group to cease to continue as a going concern
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that :-

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law have been kept by so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i) There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii) The group did not have any long term contracts and had no derivative contracts outstanding as at March 31, 2020.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

For A W A T A R & C O.
Chartered Accountants
Firm Registration No. 000726N

Sanjay Agrawal
Partner

Place : New Delhi
Date : June 26, 2020

Membership No. : 087786

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PNB FINANCE AND INDUSTRIES LIMITED

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of **PNB FINANCE AND INDUSTRIES LIMITED** (the "Holding Company") & its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") as at and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries covered under the Act, as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's and its subsidiaries 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 Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group'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 Act, 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting includes 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 Holding Company and its subsidiaries 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 Holding Company and its subsidiaries, have 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, 2020, based on "the internal control over financial reporting criteria established by the Holding Company and its subsidiaries 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 A W A T A R & C O.
Chartered Accountants
Firm Registration No. 000726N

Sanjay Agrawal
Partner
Membership No. : 087786

Place : New Delhi
Date : June 26, 2020

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Note no.	As at 31.03.2020 (₹ in lakhs)	As at 31.03.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
ASSETS				
Financial assets				
Cash and cash equivalents	2 (I)	6.56	9.53	8.59
Bank balances other than above	2 (II)	1,169.85	3.74	4.05
Investments	3	297,194.99	297,589.70	261,942.32
Other financial assets	4	305.46	31.23	0.21
Non financial assets				
Current tax assets (Net)	5	34.09	28.29	28.37
Deferred tax assets (net)	6	1.87	1.94	30.42
Property, plant and equipments	7	0.34	0.72	0.15
Other non -financial assets	8	0.25	0.22	0.08
Total		<u>298,713.41</u>	<u>297,665.37</u>	<u>262,014.19</u>
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Payables				
Other payables	9			
Total outstanding dues of micro and small enterprises		-	-	-
Total outstanding dues of creditor other than micro and small enterprises		3.07	1.51	1.31
Other financial liabilities	10	3.85	3.75	4.05
Non- financial liabilities				
Current tax liabilities (net)	11	-	3.63	-
Provisions	12	6.76	6.91	6.08
Deferred tax liabilities	13	63,051.35	63,252.90	55,135.62
Other non-financial liabilities	14	3.90	0.85	0.65
Equity				
Equity share capital	15	320.00	320.00	320.00
Other equity	16	235,324.48	234,075.82	206,546.48
Total		<u>298,713.41</u>	<u>297,665.37</u>	<u>262,014.19</u>
Significant accounting policies & notes to financial statements	1 to 34			

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAZ8356

Govind Swarup

Director

DIN: 00003145

Mohit Jain

Director

DIN: 01315482

Place: New Delhi

Date: June 26, 2020

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

Shweta Saxena

Company Secretary

Membership No. A18585

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Note no.	For the year ended 31.03.2020 (₹ in lakhs)	For the year ended 31.03.2019 (₹ in lakhs)
INCOME :			
Other income			
Interest income	17	574.06	4.11
Dividend income from equity Instruments (measured at fair value through OCI)		243.83	472.27
Gain / loss on redemption of investments in debt mutual funds (measured at fair value through OCI)"		833.75	1,347.33
Others	18	0.05	18.47
Total Income		<u>1,651.69</u>	<u>1,842.18</u>
EXPENSES			
Employee benefits expense	19	41.27	36.37
Depreciation and amortization expense	20	0.38	0.57
Other expenses	21	79.65	24.64
Total Expenses		<u>121.30</u>	<u>61.58</u>
Profit before exceptional items and tax		<u>1,530.39</u>	1,780.60
Exceptional items - interest realised on loan		-	149.05
Profit before tax		<u>1,530.39</u>	<u>1,929.65</u>
Tax expense			
Current tax		348.10	300.15
MAT credit utilised		(132.73)	-
Deferred tax charge/(-)credit		0.07	28.48
Earlier year tax provision (net)		0.01	0.28
Total tax expenses		<u>215.45</u>	<u>328.91</u>
Profit after tax for the year	(A)	<u>1,314.94</u>	<u>1,600.74</u>
Profit for the year attributable to :			
Owners of the company		1,314.94	1,600.74
Other comprehensive income			
Non-controlling interest		-	-
(I) Items that will be reclassified to the profit or loss			
Fair value changes in debt instruments through other Comprehensive income(FVTOCI)		502.49	711.86
Less: reclassified to profit or loss from OCI on sale		(673.71)	(1,068.50)
Less: income tax effect (including adjustments)		38.16	75.84
	(I)	<u>(133.06)</u>	<u>(280.80)</u>
(II) Items that will not be reclassified to the profit or loss			
Fair value changes in equity instruments through other comprehensive income (FVTOCI)		(74.27)	34,425.62
Less: income tax effect (including adjustments)		163.62	(8,193.11)

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Note no.	For the year ended 31.03.2020 (₹ in lakhs)	For the year ended 31.03.2019 (₹ in lakhs)
Remeasurement of the defined benefit plans		0.81	0.04
Less: income tax effect on above		<u>(0.23)</u>	<u>(0.01)</u>
	(II)	<u>89.93</u>	<u>26,232.54</u>
Total other comprehensive income, net of tax (B= I+II)		<u>(43.13)</u>	<u>25,951.74</u>
Other comprehensive income for the year attributable to :			
Owners of the company		(43.13)	25,951.74
Non-controlling interest		-	-
Total comprehensive income for the year (A+B)		<u>1,271.81</u>	<u>27,552.48</u>
Total comprehensive income for the year attributable to :			
Owners of the company		1,271.81	27,552.48
Non-controlling interest		-	-
Earnings per equity share	22		
(Face value of Rs.10/- each)			
Basic		41.09	50.02
Diluted		41.09	50.02
Significant accounting policies and notes on financial statements	1 to 34		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAZ8356

Govind Swarup

Director

DIN: 00003145

Mohit Jain

Director

DIN: 01315482

Place: New Delhi

Date: June 26, 2020

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

Shweta Saxena

Company Secretary

Membership No. A18585

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	For the year ended 31.03.2020 (₹ in lakhs)	For the year ended 31.03.2019 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,530.39	1,929.65
Adjustment for:		
Dividend income	(243.83)	(472.27)
(Gain)/loss on sale of investments	(833.75)	(1,347.33)
Interest on investments in bonds, debentures & deposit	(518.82)	(4.15)
Interest realised on loan (exceptional item)	-	(149.05)
Provision for doubtful debts written back	-	(18.39)
Premium (net of discount) on bonds amortised	7.82	0.04
Interest on fixed deposits with bank	(63.05)	-
Non - cash items :		
Provision for leave encashment and gratuity (net)	0.66	0.87
Depreciation	0.38	0.57
Operating profit/(-) loss before working capital changes	<u>(120.20)</u>	<u>(60.06)</u>
Adjustments for changes in working capital:		
(Increase)/ decrease in other non-financial assets	(0.03)	(0.16)
(Increase)/ decrease in other financial assets	-	(0.32)
Increase/(decrease) in other payables	1.56	0.20
Increase/(decrease) in other non-financial liabilities	<u>3.05</u>	<u>0.20</u>
Cash generated from /(used in) operations	(115.62)	(60.14)
Income tax paid(net of refund)	(224.83)	(296.71)
Net cash from/(used in) operating activities A	<u>(340.45)</u>	<u>(356.85)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	-	(1.14)
Dividend received	243.83	472.27
Interest received on deposits, bonds and FDR	379.67	-
Interest received on debentures	-	0.70
Doubtful loan realised	-	18.39
Interest realised on loan (exceptional items)	-	149.05
Investments in bonds and deposits (includes accrued intt.)	(6,230.86)	(1,031.65)
Investments in shares (acquisition cost)	(149.08)	-
Fixed deposits with bank made	(1,166.00)	-
Purchase of investments in mutual funds	(5,780.97)	(10,913.37)
Proceeds from sale/redemption of mutual funds and others	13,064.04	11,686.68
Net cash from/(used in) used in investing activities B	<u>360.63</u>	<u>380.93</u>

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	For the year ended 31.03.2020 (₹ in lakhs)	For the year ended 31.03.2019 (₹ in lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(19.20)	(19.20)
Dividend distribution tax paid	(3.95)	(3.94)
Net Cash from/(used in) financing activities C	(23.15)	(23.14)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2.97)	0.94
Cash and cash equivalents at the beginning of the year	9.53	8.59
Total cash and cash equivalents at the end of the year	6.56	9.53
Components of cash and cash equivalents:		
Balances with bank in current accounts	6.44	9.42
Cash on hand	0.12	0.11
Total	6.56	9.53

Note : (i) The above cash flow statement has been prepared under the indirect method as set out in indian accounting standard (Ind AS-7) "statement of cash flow".

(ii) Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAZ8356

Govind Swarup

Director

DIN: 00003145

Mohit Jain

Director

DIN: 01315482

Place: New Delhi

Date: June 26, 2020

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

Shweta Saxena

Company Secretary

Membership No. A18585

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital

(Amount in Lakh)

Particulars	Balance as at 01st April 2018	Issued during the year	Balance as at 31st March 2019	Issued during the year	Balance as at 31st March 2020
Equity Shares	320.00	-	320.00	-	320.00
	320.00	-	320.00	-	320.00

B. Other Equity

(Amount in Lakh)

Particulars	Reserves and Surplus				Accumulated balance of Other Comprehensive Income ('OCI')			Total Other Equity
	Other Reserve			Retained Earnings (Surplus)	Debt Instruments through OCI	Equity Instruments through OCI	Others (Remeasurement of Defined benefit Plan)	
	Securities Premium	General Reserve	Special Reserve U/s 45-IC of RBI Act, 1934					
Balance as at 1st April, 2018	103.91	2,655.16	1,712.36	7,004.74	1,218.56	193,851.75	-	206,546.48
Changes during the year ended 31st March, 2019 :								
Add : Profit/(-) Loss for the year	-	-	-	1,600.74	-	-	-	1,600.74
Add : Other comprehensive income for the year :								
Fair Value Changes of Financial Instruments through OCI (Net of Reclassification)	-	-	-	-	(356.64)	34,425.62	-	34,068.98
Income tax effect (including Adjustments)	-	-	-	-	75.84	(8,193.11)	-	(8,117.27)
Remeasurement of Defined benefit Plans (net of Tax) through OCI	-	-	-	-	-	-	0.03	0.03
Less : Dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : Dividend Distribution Tax paid	-	-	-	(3.94)	-	-	-	(3.94)
Less : Transfer to General Reserve	-	122.92	-	(122.92)	-	-	-	-
Less : Transfer to Special Reserve	-	-	209.69	(209.69)	-	-	-	-
Balance as at 31st March, 2019	103.91	2,778.08	1,922.05	8,249.73	937.76	220,084.26	0.03	234,075.82
Changes during the year ended 31st March, 2020 :								
Add : Profit/(-) Loss for the year	-	-	-	1,314.94	-	-	-	1,314.94
Add : Other comprehensive income for the year :								
Fair Value Changes of Financial Instruments through OCI (Net of Reclassification)	-	-	-	-	(171.22)	(74.27)	-	(245.49)
Income tax effect (including Adjustments)	-	-	-	-	38.16	163.62	-	201.78
Remeasurement of Defined benefit Plans (net of Tax) through OCI	-	-	-	-	-	-	0.58	0.58
Less : Dividend paid	-	-	-	(19.20)	-	-	-	(19.20)
Less : Dividend Distribution Tax paid	-	-	-	(3.95)	-	-	-	(3.95)
Less : Transfer to General Reserve	-	73.71	-	(73.71)	-	-	-	-
Less : Transfer to Special Reserve	-	-	205.10	(205.10)	-	-	-	-
Balance as at 31st March 2020	103.91	2,851.79	2,127.15	9,262.71	804.70	220,173.61	0.61	235,324.48

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAZ8356

Place: New Delhi

Date: June 26, 2020

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Viveka Nand Jha
Chief Financial Officer
PAN - AEXPJ2176H

Mohit Jain

Director

DIN: 01315482

Shweta Saxena
Company Secretary
Membership No. A18585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Corporate Overview

PNB Finance and Industries Limited ('the Company') is a public limited company domiciled and incorporated in India under the provisions of Indian Companies Act.

The Company's registered office is at Ist Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110 002, India. The Company is an NBFC Company, registered with RBI as NBFC Company as Non –Deposit taking company in 1998.

Presently, the Company is not engaged in any business operations, except investment of surplus funds in low risk instruments and earning income therefrom. while the Company is classified as a NBFC by virtue of the applicable RBI Guidelines on NBFCs, it does not carry on investment activities as a business operation and also it does not hold or/and accept Public Deposits.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements comprise of financial statements of PNB Finance And Industries Limited ('the Company'/'the Parent Company') and its wholly owned subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31st March, 2020. The Company has only Indian subsidiaries

The Consolidated Financial Statements include financial statements of the subsidiaries of PNB Finance And Industries Limited ('the Company') consolidated in accordance with Indian Accounting Standards 110 'Consolidated Financial Statements'.

The Subsidiaries which are considered and included in the consolidation along with Company's holdings are given below :

S. No.	Name of the Company	Ownership in % either directly or through subsidiary at the end of the year	
		2019-20	2018-19
1	Punjab Mercantile And Traders Ltd.	100%	100%
2	Jacaranda Corporate Services Ltd.	100%	100%

1.1 Basis of Preparation :

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and disclosures are made in accordance with the requirement of Division III of Schedule III of the Companies Act, 2013 (the Act) and other relevant provisions of the Act to the extent applicable.

The consolidated financial statements up to the year ended 31 March 2019 have been prepared under the Historical Cost Convention on Accrual Basis and comply in all material aspects with the Accounting Standards {Accounting standards as per Companies (Accounting Standards) Rules, 2006, as amended}, notified under section 133 of the Company Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and disclosures are made in accordance with the requirement of Schedule III of the Companies Act, 2013 as amended to the extent applicable.

The consolidated financial statements have been prepared on a historical cost basis, except for the certain financial assets and financial liabilities that are measured and carried at Fair Value.

The consolidated financial statements are presented in Indian Rupees (INR), which is the company's functional currency.

All amounts have been rounded-off to the nearest lakhs (up to two decimal point), as per the requirements of Schedule III, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors on June, 26, 2020.

First time adoption of Ind AS

These are the company's first consolidated financial statements prepared in accordance with Ind AS and 'Ind AS 101 - First-time Adoption of Indian Accounting Standards' (Ind AS 101) has been applied. The transition date is 1st April, 2018. Refer Note 29 for an explanation of how the transition from the Previous GAAP to Ind AS has affected the financial position, financial performance and cash flows including detail of the Exemptions and exceptions (optional and/or mandatory) availed and applied on first time adoption of Ind AS.

1.2 Basis of Consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company together with its subsidiaries constitute the Group. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary.

Control is achieved when the Group directly or indirectly:

- has power over the investee ;
 - is exposed, or has rights, to variable returns from its involvement with the investee; and
 - has the ability to use its power to affect its returns.
- (ii) The Consolidated Financial Statements of the Group combine financial statements of Parent company its Subsidiaries line by line basis by adding together the like items of assets, liabilities, income and expenses.
- (iii) All intragroup assets and liabilities, equity, income, expenses, unrealised profits/losses and cash flows relating to transactions between the entities of the Group are eliminated on consolidation.
- (iv) The financial statements of all the entities used for the purpose of Consolidation are drawn up to the same reporting date as that of the Parent Company.
- (v) The consolidated financial statements are prepared using uniform accounting policies as the Company’s Standalone financial statements, however where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.
- (vi) Profit or Loss, Other Comprehensive income and Total Comprehensive income of the Subsidiaries are attributed to the owners of the Parent Company and to the non-controlling interests (NCI) in their respective holdings and have been shown separately in the consolidated financial statements.

Non-controlling interest represents that part of the Profit or Loss, Other Comprehensive income and Total Comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

The Subsidiaries considered in the consolidated financial statements are wholly owned by Parent company, thus Profit or Loss, Other Comprehensive income and Total Comprehensive income of these subsidiaries are wholly attributed to the owners of the Parent Company in the financial statements.

- (vii) Investments in Equity Instruments other than Investment in subsidiaries have been accounted for as per Indian Accounting Standard (Ind AS) 109 “Financial Instruments”.

1.3 Other Significant Accounting Policies

Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the Parent company i.e. PNB Finance and Industries Limited; and hence have not been reproduced here.

Refer note 1 [from Note 1.2 to 1.13] of the Standalone financial statements of PNB Finance and Industries Limited for the year ended 31st March, 2020 for details with respect to other significant accounting policies.

These significant accounting policies have been consistently applied to all the years presented, unless otherwise stated.

2 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
2 (I) : Cash and Cash Equivalents			
Balances with Bank :			
In Current account with HDFC Bank	6.44	9.42	8.49
Cash on hand	0.12	0.11	0.10
Sub total-I	6.56	9.53	8.59
2 (II) : Bank Balance other than above (I)			
Fixed Deposits with HDFC Bank #	1,166.00	-	-
Earmarked balances with HDFC Bank (in Unclaimed dividend accounts)	3.85	3.74	4.05
Sub total-II	1,169.85	3.74	4.05
Total (I+II)	1,176.41	13.27	12.64

The Company has provided to HDFC Bank its Fixed Deposit as Margin in connection with “Bank Guarantee for a sum of Rs. 150 Lakh in favour of The National Stock Exchange Ltd” obtained by its wholly owned subsidiary company i.e. Punjab Mercantile & Traders Ltd. The vailidity of Bank Guarantee is up to 07-08-2020 with extended claim period up to 07-08-2021.

PNB FINANCE AND INDUSTRIES LIMITED

3 INVESTMENTS

Particulars	Face Value Per Share/ Bond/Unit (In Rs.)	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
		Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)
(Other than Trade, Non-Current, unless otherwise specified)							
(1) In Debt Mutual Funds							
(a) Quoted							
(Carried at Fair Value through OCI (FVTOCI))							
Kotak FMP Series 251 - 1265 Days Direct Plan Growth (Maturity -10-05-2022)	10	5,000,000	578.08	5,000,000	525.34	-	-
Nippon India Fixed Horizon Fund-XXXVII Series IV-Growth-Direct (Earlier Reliance FHF-XXXVII) (Maturity Date -05-04-2022)	10	1,450,000	174.86	1,450,000	158.63	-	-
Total [1(a)]			752.94		683.97		-
(b) Unquoted							
(Carried at Fair Value through OCI (FVTOCI))							
Axis Treasury Advantage Fund - Direct Growth	1000	-	-	26,895	576.85	-	-
Axis Short Term Plan- Direct - Growth	10	318,538	74.46	-	-	-	-
Aditya Birla Sun Life Corporate Bond Fund -Direct-Growth (Earlier Aditya Birla Sun Life Short Term Fund -Direct -Growth)	10	1,920,312	1,514.82	1,920,312	1,385.62	1,920,312	1,282.96
Aditya Birla Sun Life Short Term Opportunities Fund -Direct-Growth	10	-	-	-	-	2,505,868	744.68
HDFC Banking & PSU Debt Fund-Direct-Growth	10	-	-	-	-	8,939,646	1,268.41
HDFC Credit Risk Debt Fund - Dir - Growth (Earlier HDFC Corporate Debt Opportunities Fund)	10	-	-	-	-	4,062,796	606.73
HDFC Floating Rate Debt Fund -Direct Plan -Whole Sale- Growth (Earlier HDFC Floating Rate Income Fund -STP-Direct-Growth)	10	-	-	557,474	182.31	614,057	186.56
HDFC Low Duration Fund- Direct -Retail -Growth	10	-	-	1,920,715	784.84	-	-
ICICI Prudential Savings Fund-Direct-Growth	100	-	-	1,042	3.76	-	-
ICICI Prudential Short Term Fund-Direct-Growth	10	420,289	186.46	4,486,507	1,810.00	4,486,507	1,684.54
IDFC Bond Fund- Medium Term Plan-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	5,660,987	2,030.22	5,772,787	1,880.69	5,772,787	1,740.42
IDFC Corporate Bond Fund -Direct Plan -Growth	10	207,168	28.93	3,308,332	425.39	3,308,332	395.92
IDFC Banking & PSU Debt Fund - Direct - Growth	10	297,190	53.39	-	-	-	-
IDFC Bond Fund - Short Term Plan - Direct -Growth (Amount invested on 31-03-2020, however Units (No. of Units 167257.96 @ 43.3457 per unit) allotted on 03-04-20)	10	-	72.50	-	-	-	-
IDFC Bond Fund- Short Term Plan-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	519,576	225.30	-	-	-	-
Kotak Bond- Short Term- Direct- Growth	10	-	-	5,008,774	1,826.88	5,008,774	1,686.88
Kotak Banking & PSU Debt Fund - Direct- Growth	10	2,815,142	1,341.32	-	-	-	-
Kotak Savings Fund -Direct Plan -Growth	10	-	-	8,179,921	2,499.10	-	-
Nippon India Credit Risk Fund - Direct - Growth (Earlier Reliance Regular Savings Fund - Debt Plan)	10	-	-	-	-	6,226,776	1,576.98
Nippon India Floating Rate Fund - Direct -Growth (Earlier Reliance Floating Rate Fund -Short Term Plan)	10	-	-	-	-	897,256	252.19
UTI Credit Risk Fund - Direct - Growth (Earlier UTI Income Opportunities Fund)	10	-	-	-	-	4,474,909	755.54
UTI Dynamic Bond Fund -Direct Plan-Growth	10	-	-	-	-	4,310,324	892.80
UTI Liquid Cash Plan- Direct- Growth	1,000	-	-	41	1.24	-	-
UTI Treasury Advantage Fund- Direct Plan Growth	1,000	15,873	394.36	47,446	1,234.57	-	-
Total [1(b)]			5,921.76		12,611.25		13,074.61
(2) In Bonds-/NCDs							
Quoted							
(Carried at Amortised Cost)							
9.56%, State Bank of India Perpetual Bond (Call date : 04-12-2023)	1,000,000	100	1,003.27	100	1,004.37	-	-
9.45%, State Bank of India Bonds, Taxable Perpetual Bonds (Call Date- 22-03-2024)	1,000,000	199	2,025.22	-	-	-	-
8.60% EXIM Bonds, Taxable Perpetual Bonds (Call Date-31-03-2022)	1,000,000	85	843.98	-	-	-	-
8.40%, TATA Capital Financial Services Ltd, (NCD-Series -III), (5 Years & Call Date- 26-08-2024)	1,000	50,000	500.00	-	-	-	-
8.20% TATA Capital Housing Finance Ltd, (Non-Convertible Debentures-Series -III) (5 Years & Call Date-14-01-2025)	1,000	38,000	380.00	-	-	-	-
8.85%, HDFC Bank Perpetual Bonds, Taxable (Call Date-12-05-2022)	1,000,000	40	402.91	-	-	-	-
Arcus Ltd. (Formerly Known as Parshva Properties Ltd.)	100	-	-	-	-	6,000	3.23
Total (2)			5,155.38		1,004.37		3.23

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Particulars	Face Value Per Share/ Bond/Unit (In Rs.)	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
		Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)	Units/Bonds/ Shares in No.*	Value (Rs. in Lakh)
(3) In Corporate Deposits							
Unquoted							
(Carried at Amortised Cost)							
Deposit (Cumulative) with HDFC Ltd. (Coupon @ 8.49% & Maturity Date -09-04-2022)		-	2,000.00		-		-
Total (3)			2,000.00		-		-
(4) In Equity Shares							
(a) Quoted							
(Carried at Fair Value through OCI (FVTOCI))							
Fully paid up shares of :							
Camac Commercial Co. Ltd.	10	100,975	683.57	100,975	593.17	100,975	573.89
Ashoka Viniyoga Ltd.@	10	-	-	-	-	59,100	221.51
Combine Holding Ltd @	10	-	-	-	-	92,000	47.35
Sahu Jain Ltd @	10	-	-	-	-	4,900	54.24
HDFC Bank Ltd. (Face value per share reduced from Rs. 2 per share to Re. 1 per share during Financial year 2019-20)	1	2,438,280	21,017.97	1,219,140	28,270.64	1,219,140	22,994.20
Susmit Trading Ltd.\$	10	29,400	0.74	29,400	0.74	29,400	0.74
Jantej Commercial Enterprises Ltd.\$	10	50,000	1.81	50,000	1.81	50,000	1.81
Sagar Investments Ltd. \$	10	100,000	2.50	100,000	2.50	100,000	2.50
The Pioneer Ltd.\$	10	100	0.02	100	0.02	100	0.02
			21,706.61		28,868.88		23,896.26
\$Less: Provision for Impairment in Value of Investments			5.07		5.07		5.07
Total [4(a)]			21,701.54		28,863.81		23,891.19
(b) Unquoted							
(Carried at Fair Value through OCI (FVTOCI))							
Fully paid up shares of :							
Bennett,Coleman & Co Ltd.	10	52,297,848	220,268.08	52,297,848	223,724.96	52,297,848	195,510.28
Ashoka Viniyoga Ltd.@	10	59,100	284.16	59,100	248.42	-	-
Combine Holding Ltd @	10	93,150	10,196.20	92,000	45.02		
Sahu Jain Ltd @	10	4,900	56.53	4,900	50.42		
Times Publishing House Ltd	10	24,000	443.43	24,000	427.73	24,000	414.17
Sahu Jain Services Ltd	10	2,500	153.42	2,500	135.94	2,500	116.10
Excel Publishing House Ltd.	10	23,500	27.22	23,500	26.35	23,500	26.15
Artee Viniyoga Ltd.	10	249,860	148.47	249,860	138.80	249,860	136.12
Times Internet Ltd.##	10	927,292	118.32	927,292	117.86	927,292	131.30
Bennett Property Holdings Company Ltd.#	10	8,716,308	29,967.54	8,716,308	29,510.80	8,716,308	28,639.17
Pearl Printwell Ltd.\$\$	10	19,800	4.01	19,800	4.01	19,800	4.01
			261,667.38		254,430.31		224,977.30
\$Less: Provision for Impairment in Value of Investments			4.01		4.01		4.01
Total [4(b)]			261,663.37		254,426.30		224,973.29
Grand Total (1(a)+1(b)+2+3+4(a)+4(b))			297,194.99		297,589.70		261,942.32
Total Investments measured & carried :							
At Fair Value through OCI (FVTOCI)			290,039.61		296,585.33		261,939.09
At Amortised Cost			7,155.38		1,004.37		3.23
Total			297,194.99		297,589.70		261,942.32
Total Investments as Quoted and Unquoted :							
Aggregate Value of Quoted Investments			27,609.86		30,552.15		23,894.42
Aggregate Value of Unquoted Investments (Net of Provisions)			269,585.13		267,037.55		238,047.90
Total			297,194.99		297,589.70		261,942.32
Aggregate Value of Provision for Impairment of Quoted Investments			5.07		5.07		5.07
Aggregate Value of Provision for Impairment of Unquoted Investments			4.01		4.01		4.01

*Units are rounded off to the nearest Unit.

In Pursuance of Scheme of arrangement entered between Bennett,Coleman & Co. Ltd. (BCCL) and Bennett Property Holdings Company Limited (BPHCL) as approved by the Bombay High Court order dated December,2nd ,2011 the Company has received Shares of BPHCL in proportion of 1:6.

In pursuance of Scheme of amalgamation between Times Business Solutions Ltd. and Times Internet Ltd. as approved by Delhi High Court Order dated 17th October,2014 Company has received the Equity Shares of M/s Times Internet Ltd. In the ratio of 100:96 for the equity shares held in M/s Times Business Solutions Ltd.

@ With effect from February 12,2019, the Company has been transferred from CSE to the Dissemination Board of National Stock Exchange, thus Investment in equity shares of the company are reclassified from "Quoted Shares" to Unquoted Shares".

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
4 OTHER FINANCIAL ASSETS			
Interest Accrued on bonds and Deposits#	305.14	30.91	0.21
Deposit with Custodian (CDSL) & RTA (At amortised Cost)	0.32	0.32	-
Total	<u>305.46</u>	<u>31.23</u>	<u>0.21</u>
# includes Interest accrued on Bank Fixed Deposits as on 31-03-2020 -Rs.56.75 Lakh (as on 31-03-2019 & 01-04-2018 -Rs.Nil)			
5 CURRENT TAX ASSETS (NET)			
(Unsecured, considered good)			
Advance Income Tax & TDS	549.62	227.06	1,185.57
Provision for Income Tax	<u>(515.53)</u>	<u>(198.77)</u>	<u>(1,157.20)</u>
Total	<u>34.09</u>	<u>28.29</u>	<u>28.37</u>
6 DEFERRED TAX ASSETS (NET)			
Deferred Tax Assets (net) in respect of :			
Carried forward Long Term Capital losses	-	-	28.71
Accrued expenses allowable on payment basis	1.83	1.92	1.69
Depreciation on Property, Plant and Equipments	<u>0.04</u>	<u>0.02</u>	<u>0.02</u>
Total	<u>1.87</u>	<u>1.94</u>	<u>30.42</u>

Particulars	Tangible Assets Office Equipments (Computers & Others)
7 PROPERTY, PLANT AND EQUIPMENTS	
<u>At Cost</u>	
<u>Gross Carrying Amount</u>	
Deemed Cost at at 1st April, 2018 \$	3.77
Additions during the year	1.14
Deletion/Disposals during the year	0.74
Balance as at 31st March, 2019	<u>4.17</u>
Additions during the year	-
Deletion/Disposals during the year	-
Balance as at 31st March, 2020	<u>4.17</u>
<u>Accumulated Depreciation</u>	
Balance as at 1st April, 2018 \$	3.62
Depreciation Charge during the year	0.57
Adjustments/Deductions during the year	0.74

Particulars	Tangible Assets Office Equipments (Computers & Others)
Balance as at 31st March, 2019	3.45
Depreciation Charge during the year	0.38
Adjustments/Deductions during the year	-
Balance as at 31st March, 2020	3.83
<u>Net Carrying Amount</u>	
As at 31st March, 2020	0.34
As at 31st March, 2019	0.72
As at 31st March, 2018 \$	0.15

\$ The Company has availed the deemed cost exemption in relation to “Property, Plant and Equipments being Office equipments” on the date of transition and hence the net carrying amount has been considered as the ‘gross carrying amount’ on that date and accordingly Depreciation is charged there. ‘The “gross carrying amount” and the ‘accumulated depreciation’ and net carrying amount on 1st April, 2018 under the previous GAAP are disclosed here under :

Deemed Cost of Property, Plant and Equipments as at 1st April, 2018

Particulars	(Amount in Lakh)
<u>Office Equipments (Computers & Others)</u>	
Gross Carrying Amount as on 1st April, 2018	3.77
Accumulated depreciation up to 31st March, 2018	3.62
Net Carrying Amount as at 1st April, 2018	0.15
Deemed Cost as at 1st April, 2018	0.15

Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
8 OTHER NON-FINANCIAL ASSETS			
(Unsecured, considered good)			
Prepaid Expenses	0.25	0.22	0.08
Total	0.25	0.22	0.08
9 OTHER PAYABLES			
Payable to Micro and Small Enterprises	-	-	-
Payable to Others	3.07	1.51	1.31
Total	3.07	1.51	1.31

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
10 OTHER FINANCIAL LIABILITIES			
Unpaid dividends*	3.85	3.75	4.05
Total	<u>3.85</u>	<u>3.75</u>	<u>4.05</u>
* Unencashed/unclaimed portion only			
11 CURRENT TAX LIABILITIES (NET)			
Provision for Income Tax	-	296.62	-
Less : Advance Income Tax & TDS	-	(292.99)	-
Total	<u>-</u>	<u>3.63</u>	<u>-</u>
12 PROVISIONS			
Provision for Employee Benefits			
- for Leave Encashment	2.21	2.38	2.19
- for Gratuity	4.55	4.53	3.89
Total	<u>6.76</u>	<u>6.91</u>	<u>6.08</u>
13 DEFERRED TAX LIABILITIES			
Deferred Tax Liabilities in respect of :			
Fair Value changes in Debt instruments (FVTOCI)	230.23	268.39	344.23
Fair Value changes in Equity Instruments (FVTOCI)	62,820.88	62,984.50	54,791.39
Remeasurement of Defined benefit plans (FVTOCI)	0.24	0.01	-
Total	<u>63,051.35</u>	<u>63,252.90</u>	<u>55,135.62</u>
14 OTHER NON-FINANCIAL LIABILITIES			
Others			
TDS payable	1.76	0.60	0.25
GST payable	1.48	0.07	0.22
Provident Fund payable	0.18	0.18	0.18
Other Payables	0.48	-	-
Total	<u>3.90</u>	<u>0.85</u>	<u>0.65</u>
15 SHARE CAPITAL			
Equity Share Capital			
Authorised Share capital			
50,00,000 (P.Y. -50,00,000) Equity Shares of Rs. 10 each	500.00	500.00	500.00
Total	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>
Issued share capital			
32,00,000 (P.Y. -32,00,000) Shares of Rs.10 each	320.00	320.00	320.00
	<u>320.00</u>	<u>320.00</u>	<u>320.00</u>
Subscribed & fully paid share capital			
a) 8,01,288.5 (P.Y. - 8,01,288.5) shares of Rs.10 each fully paid up. (On reduction of share capital through High Court order dated 15-11-1973)	80.13	80.13	80.13
b) 23,98,711.5 (P.Y.-23,98,711.5) shares of Rs.10 each fully paid up (including 131 equity shares of Rs. 10 each in the form of fractional coupons)	239.87	239.87	239.87
Total	<u>320.00</u>	<u>320.00</u>	<u>320.00</u>

(i) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. The payment of dividend will be made in Indian rupees.

In the event of the liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company, after meeting all liabilities.

(ii) Reconciliation of Equity shares held at the beginning and at the end of the year

Particulars	As at 31.3.2020		As at 31.3.2019	
	No. of Shares	Amount in Lakh	No. of Shares	Amount in Lakh
At the beginning of the year	3,200,000	320.00	3,200,000	320.00
Movement during the year	-	-	-	-
At the end of the year	3,200,000	320.00	3,200,000	320.00

(iii) There is no change in the Share Capital in the period of five years immediately preceding the date as at which the Balance Sheet is prepared. There has been no allotment of shares pursuant to contract(s) without payment being received in cash or by way of bonus issue and no shares have been bought back in the five years immediately preceding the Balance Sheet date i.e. 31st March, 2020.

(iv) Details of Shareholders holding more than 5 % shares in the Company

Name of the Shareholder	As at 31.3.2020	As at 31.3.2019
	No. of Shares	No. of Shares
Artee Viniyoga Limited	801,710	801,710
Ashoka Viniyoga Limited	651,660	651,660
Camac Commercial Company Limited	520,000	520,000
Mr. Samir Jain	518,827	518,827
Mrs. Meera Jain	273,604	196,000
Combine Holding Limited	161,437	161,437

Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
16 OTHER EQUITY			
<u>I. Securities Premium</u>			
Balance as per last Financial Statements	103.91	103.91	103.91
Add/Less : Addition/(Adjustment) during the year	-	-	-
Balance at the end of the year	<u>103.91</u>	<u>103.91</u>	<u>103.91</u>
<u>II. General Reserve</u>			
Balance as per last Financial Statements	2,778.08	2,655.16	2,655.16
Add/Less : Addition/(Adjustment) during the year	73.71	122.92	-
Balance at the end of the year	<u>2,851.79</u>	<u>2,778.08</u>	<u>2,655.16</u>
<u>III. Special Reserve U/s 45-IC of RBI Act,1934</u>			
Balance as per last Financial Statements	1,922.05	1,712.36	1,712.36
Add/Less : Addition/(Adjustment) during the year	205.10	209.69	-
Balance at the end of the year	<u>2,127.15</u>	<u>1,922.05</u>	<u>1,712.36</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2020 (₹ in lakhs)	As at 31.3.2019 (₹ in lakhs)	As at 01.04.2018 (₹ in lakhs)
<u>IV. Retained Earnings (Surplus)</u>			
Balance as per last Financial Statements	8,249.73	7,004.74	7,004.74
Add - Profit for the year	1,314.94	1,600.74	-
Less:- Transfer to general reserve	(73.71)	(122.92)	-
Less:- Transfer to special reserve	(205.10)	(209.69)	-
Less:- Dividend paid	(19.20)	(19.20)	-
Less:- Dividend distribution tax paid	(3.95)	(3.94)	-
Balance at the end of the year	<u>9,262.71</u>	<u>8,249.73</u>	<u>7,004.74</u>
<u>V. Accumulated Balance of Other Comprehensive Income (OCI)</u>			
a) Items that will be reclassified to the profit or loss			
Opening balance	937.76	1,218.56	-
Add/Less : Adjustments(net of tax) during the year			
Fair Value Changes in Debt instruments through Other Comprehensive Income(FVTOCI)	502.49	711.86	1,562.79
Less: Reclassified to profit or loss from OCI on sale	(673.71)	(1,068.50)	-
Less: Income Tax effect (including Adjustements)	38.16	75.84	(344.23)
Closing balance (a)	<u>804.70</u>	<u>937.76</u>	<u>1,218.56</u>
b) Items that will not be reclassified to the profit or loss			
Opening balance	220,084.29	193,851.75	-
Add/Less : Adjustments(net of tax) during the year			
Fair Value Changes on Equity instruments through Other Comprehensive Income (FVTOCI)	(74.27)	34,425.62	248,643.14
Less: Income tax effect on above	163.62	(8,193.11)	(54,791.39)
Remeasurement of the defined benefit plans	0.81	0.04	-
Less: Income tax effect on above	(0.23)	(0.01)	-
Closing balance (b)	<u>220,174.22</u>	<u>220,084.29</u>	<u>193,851.75</u>
Accumulated Balance of OCI at the end of the year	<u>220,978.92</u>	<u>221,022.05</u>	<u>195,070.31</u>
Total (I to V)	<u>235,324.48</u>	<u>234,075.82</u>	<u>206,546.48</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
17 INTEREST INCOME		
Interest income on Investments in Bonds, Debentures & Deposit (measured at Amortised Cost)	518.82	4.15
Amortisation adjustment of Bonds purchased at premium/ discount	(7.82)	(0.04)
Interest income on Loan to Subsidiary Company (measured at Amortised Cost)	63.05	-
Interest income on Deposits with Bank	0.01	-
Total	<u>574.06</u>	<u>4.11</u>
18 OTHERS (UNDER OTHER INCOME)		
Provision for doubtful debts written back	-	18.39
Miscellaneous income	0.05	0.08
Total	<u>0.05</u>	<u>18.47</u>
19 EMPLOYEE BENEFITS EXPENSE		
Salaries	38.12	33.48
Contribution to provident and other funds	1.14	1.14
Provision for Gratuity and Leave encashment	0.66	0.87
Staff welfare expenses	1.35	0.88
Total	<u>41.27</u>	<u>36.37</u>
20 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Property, Plant and Equipments (Refer Note -7)	0.38	0.57
	<u>0.38</u>	<u>0.57</u>
21 OTHER EXPENSES		
Director' s sitting Fee	5.40	7.00
Legal and professional charges	11.96	4.24
Travelling & Conveyance expenses	4.73	4.87
GST /Service Tax paid under reverse charge	2.38	1.45
AGM expenses	1.16	1.14
Printing & stationery	0.96	1.19
Postage & Telephone charges	0.73	0.85
Advertisement expenses	0.91	0.72
Listing fees	0.29	0.29
Custodian Fees	0.33	0.59
Document Storage Charges	1.07	0.32
Software Charges	0.42	0.39
Manager Remuneration	0.12	0.12
Filing fees	0.25	0.15
Auditor' s Remuneration \$	1.15	1.07
CSR Contribution 2016-17	17.62	-
CSR Contribution 2017-18	16.71	-
CSR Contribution 2018-19	12.06	-
Miscellaneous Expenses	1.40	0.25
Total	<u>79.65</u>	<u>24.64</u>

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Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
\$ Auditor's Remuneration (inclusive of GST) :		
As Auditor		
Audit Fees	0.56	0.56
Limited Review	0.20	0.20
Other Services (Certification fees)	0.09	0.03
Out of pocket Expenses	0.12	0.12
GST on above	0.18	0.16
Total	1.15	1.07
22 EARNINGS PER SHARE (EPS)		
Profit after Tax as per Statement of Profit and Loss (Rs. in Lakh)	1,314.94	1,600.74
Weighted average number of Equity Shares (Face value per Equity Share Rs.10/-)	32,00,000	32,00,000
Basic EPS (In Rs.)	41.09	50.02
Diluted EPS (In Rs.) #	41.09	50.02

The Company has not issued any potential equity shares, and accordingly, Diluted Earnings Per Share is equal to the Basic Earnings Per Share.

23 In accordance with the requirements of Ind AS -24 "Related Party Disclosure", disclosure of Related Parties & Related Party transactions entered into during the year are given below -

(a) Related parties and nature of relationship :

Name of related party	Relationship
Mr. Govind Swarup	Director
Mr. Ashish Verma	Director
Ms. Saumya Agarwal	Director
Mrs. Shweta Saxena	KMP (Company Secretary)
Mr. Vijay Kumar Bakshi	KMP (Manager)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

(b) Related Party Transactions entered during the year in ordinary course of business and outstanding balances payable/ (Receivable) at the end of the year :

(₹ in lakhs)

Name of the Party	Nature of Transaction	Amount for the year ended		Amount Outstanding as at	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Mr. Govind Swarup	Director's sitting fees	2.80	4.00	-	-
Mr. Ashish Verma	Director's sitting fees	1.60	2.00	-	-
Mrs. Saumya Agarwal	Director's sitting fees	1.00	1.00	-	-
Mrs. Shweta Saxena	Remuneration#	20.13	18.32	-	-
Mr. Viveka Nand Jha	Remuneration#	15.73	13.10	-	-
Mr. Vijay Kumar Bakshi	Remuneration##	0.12	0.12	0.12	-

Excluding PF and other retiral benefits.

Paid on 15th May, 2020.

- 24 The Group is not carrying any business activities except generating income from Investment of surplus funds and accordingly there is no reportable segment within the meaning of Ind AS - 108 “Operating Segments”.
- 25 The Management is of the opinion that there is no impairment of assets of Group as contemplated in Ind AS -38 “Impairment of Assets”.
- 26 **Contingent Liabilities and Commitments (to the extent not provided for):**
Contingent Liabilities and commitments for Group not provided for during the year is Nil (Previous year -Rs. Nil).
- 27 **Income Taxes Expenses & Reconciliation**
- (a) (i) **Tax expense recognised in the Consolidated Statement of profit and loss**

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
<u>Current tax</u>		
Current Tax	348.10	300.15
MAT Credit Utilised	(132.73)	-
Earlier year tax provision (net)	0.01	0.28
Total Current tax	215.38	300.43
<u>Deferred tax</u>		
Relating to origination and reversal of temporary difference	0.07	28.48
Total deferred tax charge/(credit)	0.07	28.48
Total Income tax expense reported in the Consolidated Statement of Profit and Loss	215.45	328.91

(ii) **Tax expense recognised in the Consolidated Statement of Other Comprehensive Income**

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
<u>Deferred tax Charge / (Credit) on :</u>		
<u>(I) Items that will be reclassified to the profit or loss</u>		
Fair Value Changes in Debt instruments through OCI (FVTOCI)	(38.16)	(75.84)
<u>(II) Items that will not be reclassified to the profit or loss</u>		
Fair Value Changes in Equity instruments through OCI (FVTOCI)	(163.62)	8,193.11
Remeasurement of the defined benefit plans	0.23	0.01
Total Deferred tax charge/ (credit) in the Consolidated Statement of Other Comprehensive Income (I+II)	(201.55)	8,117.28

(b) Reconciliation of Current tax expenses

Reconciliation of Current tax expenses between “Amount calculated as Accounting Profit multiplied by the statutory income tax rate applicable to the Company” and “Current Tax Expenses as per effective income tax rate reported in the Consolidated Statement of Profit and Loss of the Company” is given below :

Particulars	For the year ended 31.3.2020 (₹ in lakhs)	For the year ended 31.3.2019 (₹ in lakhs)
Profit before Tax as per Consolidated Statement of Profit and Loss (Amount in Lakh)	1,530.39	1,929.65
Enacted Income Tax rates (including applicable Cess) in India (%)	27.82%	27.82%
Tax at the enacted income tax rate of 27.82 % (Previous Year : 27.82 %) (In Lakh)	425.75	536.83
<u>Tax effects of amounts which are not deductible/taxable in computing taxable Income</u>		
CSR Expenditure	12.91	-
Disallowance under section 14 A	0.39	0.45
Tax at Lower Rate in case of Capital Gain (In Lakh)	(20.62)	(158.69)
Other Adjustments (In Lakh)	3.86	58.39
<u>Tax effects of amounts which are deductible /non taxable in computing taxable Income</u>		
Dividend Income	(67.83)	(131.38)
Other adjustments	(6.40)	(5.12)
Sub Total	348.06	300.48
Tax Adjustments due to difference in Rate of Tax enacted for Entities in Group (In Lakh)	0.04	(0.33)
Sub Total	348.10	300.15
MAT Credit Utilised	(132.73)	-
Earlier year tax provision (net)	0.01	0.28
Current Tax expense reported in Consolidated Statement of Profit and Loss (In Lakh)	215.38	300.43

(c) The movement in Consolidated Deferred Tax Liabilities during the year ended March 31, 2019 and March 31, 2020:

Particulars	As at April 01, 2018	Credit/ (charge) in Consolidated Statement of Other Comprehensive income	As at March 31, 2019	Credit/ (charge) in Consolidated Statement of Other Comprehensive income	As at March 31, 2020
<u>Deferred tax Liabilities on :</u>					
Fair Value Changes in Debt instruments through OCI (FVTOCI)	344.23	(75.84)	268.39	(38.16)	230.23
Fair Value Changes in Equity instruments through OCI (FVTOCI)	54,791.39	8,193.11	62,984.50	(163.62)	62,820.88
Remeasurement of Defined benefit plans	-	0.01	0.01	0.23	0.24
Total	55,135.62	8,117.28	63,252.90	(201.55)	63,051.35

28 EMPLOYEE BENEFITS

I). During the year, Liability of Company as an employer towards contribution to Provident fund has been recognized as an Expenses in the Statement of Profit and Loss. The detail is given below :

Defined Contribution Plan

Employer's Contribution to Provident Funds - **Rs.1.14 Lakh** (Previous year : Rs.1.14 Lakh)

II). Gratuity and Other Post employment benefit plans :

During the year, the company has recognised the expenses and liability towards Gratuity and Leave Encashment based on Actuarial Valuation in conformity with the principles set out in the Indian Accounting Standards -19. The detail are given below :

(a) The assumptions used to determine the benefit obligations are as follows:

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Discounting Rate (p.a.)	6.84%	7.65%	6.84%	7.65%
Future Salary Increase (p.a.)	1st Year 0% and thereafter 6.84%	8.00%	1st Year 0% and thereafter 6.84%	6.50%
Expected Rate of Return of plan Assets	N.A	N.A	N.A	N.A
Expected Average Remaining working lives of employees (years)	17.92	18.92	17.92	18.92
Mortality Table used	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Retirement Age (years)	58	58	58	58
Withdrawal Rate (%)				
Up to 30 years	3	3	3	3
From 31 to 44 years	2	2	2	2
Above 44 years	1	1	1	1

(b) Change in Present value of obligation/ Defined Benefit Obligations :

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Present value of obligation(PBO) at beginning of year	4.53	3.88	2.38	2.20
Past service cost	-	-	-	-
Current service cost	0.48	0.44	0.27	0.23
Net Interest cost	0.35	0.25	0.18	0.14
Benefits paid	-	-	-	-
Remeasurement [Actuarial (-) gain /loss]	(0.81)	(0.04)	(0.62)	(0.19)
Present value of obligation at year end	4.55	4.53	2.21	2.38
Break up of PBO at end of the year				
Current Liability (within 12 Months)	0.10	0.09	0.05	0.05
Non-Current Liability	4.45	4.44	2.16	2.33

(c) **Liability recognised in the Consolidated Balance Sheet:**

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Liability Amount (Net) at beginning of year	4.53	3.88	2.38	2.20
Provisions made/(Reversed) during the year	0.83	0.69	0.45	0.37
Benefits paid	-	-	-	-
Remeasurement [Actuarial (-) gain /loss]	(0.81)	(0.04)	(0.62)	(0.19)
Liability Amount (Net) at year end	4.55	4.53	2.21	2.38

(d) **Expense/ (Income) recognized in the Consolidated Statement of Profit and Loss:**

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Current service cost	0.48	0.44	0.27	0.23
Net Interest cost	0.35	0.25	0.18	0.14
Net actuarial (-) gain / loss recognized in the year	-	-	(0.62)	(0.19)
Expenses recognized in the Statement of Profit and Loss	0.83	0.69	(0.17)	0.18

(e) **Expenses / (Income) recognised in Consolidated Other Comprehensive Income (OCI)**

(₹ in lakhs)

Particulars	Gratuity (Non -Funded)		Leave Encashment (Non -Funded)	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
Actuarial (-) gain / loss for the year on PBO	(0.81)	(0.04)	-	-
Actuarial (-) gain / loss for the year on Plan Asset	-	-	-	-
Net actuarial (-) gain / loss recognized OCI during the year	(0.81)	(0.04)	-	-

(f) **Sensitivity analysis :**

Particulars	Gratuity	Leave Encashment
	31/3/2020	31/3/2020
Impact of the change in discount rate		
Present value of Obligation at the end of the year	4.55	2.21
(i) Impact due to increase of 0.5%	(0.30)	(0.16)
(i) Impact due to decrease of 0.5%	0.35	0.17
Impact of the change in Salary increase		
Present value of Obligation at the end of the year	4.55	2.21
(i) Impact due to increase of 0.5%	0.35	0.17
(i) Impact due to decrease of 0.5%	(0.32)	(0.16)

(g) Maturity Profile of Defined Benefit Obligations :

Particulars	Gratuity	Leave Encashment
	31/3/2020	31/3/2020
a) 0 to 1 Year	0.10	0.05
b) 1 to 2 Year	0.10	0.05
c) 2 to 3 Year	0.09	0.04
d) 3 to 4 Year	0.08	0.04
e) 4 to 5 Year	0.08	0.04
f) 5 to 6 Year	0.05	0.02
f) 6 year onwards	4.05	1.97

29 FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the company’s first Consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1, have been applied in preparing the Consolidated financial statements from the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an Opening Ind AS balance sheet at April 01, 2018 (the Group’s date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in the Consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows is set out as follows :

I. Exemptions and Exceptions availed

Ind AS 101 allows first-time adopters certain Mandatory Exceptions and Optional exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the followings in the transition from Previous GAAP to Ind AS, which are considered to be material or significant for the group :

A. Ind AS optional exemptions

(i) Deemed Cost for Property, Plant and Equipments

The Company on first time adoption of Ind AS, has elected to continue with the carrying value for all of its Property, Plant and Equipments as recognised in the financial statements as fixed assets at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

(ii) Deemed Cost for Investment in Subsidiary /Associates

The Group on first time adoption of Ind AS, has elected to continue with the carrying value for all of its Property, Plant and Equipments as recognised in the Consolidated financial statements as fixed assets at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

B. Ind AS mandatory exceptions

(i) Estimates

An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at April 01, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Group made estimates for following items in accordance with Ind AS at the date of transition as this was not required under previous GAAP :

- (a) Investments in Equity Instruments carried at fair value through Other comprehensive Income (FVTOCI).

- (b) Investments in Debt Instruments (being Debt based Mutual Funds) carried at FVTOCI.
- (c) Impairment of financial assets based on expected credit loss model.
- (ii) Classification and measurement of financial assets**
Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments being Bonds / Debentures / Debt based MF etc.) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.
- (iii) De-recognition of financial assets and financial liabilities**
The Company has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

II. Reconciliations between Previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (1) Reconciliation of Equity as at April 1, 2018 and March 31, 2019
- (2) (a). Reconciliation of Balance sheet as at April 1, 2018 (Transition date) and as at March 31, 2019
- (b). Reconciliation of Profit and Loss & Other comprehensive income for the year ended March 31, 2019
- (c). Reconciliation of total comprehensive income for the year ended March 31, 2019
- (3) Impact on cash flow statement for the year ended March 31, 2019

The presentation requirements under previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

(1) Reconciliation of Consolidated Equity as at April 1, 2018 and March 31, 2019 : (₹ in lakhs)

Particulars	Ref. Notes on Adjustments	Opening Consolidated Balance Sheet as at 01st April 2018			Closing Consolidated Balance Sheet as at 31st March 2019		
		IGAAP	Effects of transition to Ind-AS	Ind-AS	IGAAP	Effects of transition to Ind-AS	Ind-AS
Total consolidated equity (shareholders' funds) under previous GAAP							
Equity Share Capital		320.00	-	320.00	320.00	-	320.00
Reserve & Surplus		11,476.17	-	11,476.17	13,053.85		13,053.85
Ind AS Adjustments increasing / (decreasing) of Net Profit (part of Reserve & Surplus) :							
Investment in Bonds at Amortised Cost	17	-	-	-	-	(0.04)	(0.04)
Remeasurement of the defined benefit plans	19	-	-	-	-	(0.04)	(0.04)
<u>Other comprehensive income (OCI) :</u>	16						
Fair Valuation of Debt Instruments through OCI			1,562.79	1,562.79		1,206.15	1,206.15
Tax adjustments			(344.23)	(344.23)		(268.39)	(268.39)
Fair Valuation of Equity Instruments through OCI			248,643.14	248,643.14		283,068.76	283,068.76
Tax adjustments			(54,791.39)	(54,791.39)		(62,984.50)	(62,984.50)
Remeasurement of the defined benefit plans			-	-		0.04	0.04
Tax adjustments			-	-		(0.01)	(0.01)
Total adjustment to equity			195,070.31			221,021.97	
Total Consolidated equity (shareholders' funds) of Group under Ind-AS		11,796.17	195,070.31	206,866.48	13,373.85	221,021.97	234,395.82

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(2) (a). Reconciliation of Consolidated Balance sheet as at April 1, 2018 (transition date) and as at March 31, 2019 :

Particulars	Notes on Adjustments	Opening Consolidated Balance Sheet as at 01st April 2018			Closing Consolidated Balance Sheet as at 31st March 2019		
		IGAAP	Effects of transition to Ind-AS	Ind-AS	IGAAP	Effects of transition to Ind-AS	Ind-AS
ASSETS							
Financial assets							
Cash and cash equivalents		8.59	-	8.59	9.53	-	9.53
Bank balances other than above		4.05		4.05	3.74	-	3.74
Investments	3 & 16	11,736.39	250,205.93	261,942.32	13,314.83	284,274.87	297,589.70
Other financial assets		0.21		0.21	31.23	-	31.23
Non Financial assets							
Current tax assets (Net)		28.37	-	28.37	28.29	-	28.29
Deferred Tax Assets (net)		30.42	-	30.42	1.94	-	1.94
Property, Plant and Equipments		0.15	-	0.15	0.72	-	0.72
Other Non -Financial assets		0.08	-	0.08	0.22	-	0.22
TOTAL ASSETS		11,808.26	250,205.93	262,014.19	13,390.50	284,274.87	297,665.37
LIABILITIES AND EQUITY							
Liabilities							
Financial Liabilities							
Payables							
Other Payables							
Dues of Micro and Small Enterprises		-	-	-	-	-	-
Dues of Other Creditors		1.31	-	1.31	1.51	-	1.51
Other financial Liabilities		4.05	-	4.05	3.75	-	3.75
Non- Financial Liabilities							
Current Tax Liabilities (Net)		-	-	-	3.63	-	3.63
Provisions		6.08	-	6.08	6.91	-	6.91
Deferred Tax Liabilities	13 & 16	-	55,135.62	55,135.62	-	63,252.90	63,252.90
Other Non-financial liabilities		0.65	-	0.65	0.85	-	0.85
Equity							
Equity share capital		320.00	-	320.00	320.00	-	320.00
Other Equity	16	11,476.17	195,070.31	206,546.48	13,053.85	221,021.97	234,075.82
TOTAL LIABILITIES AND EQUITY		11,808.26	250,205.93	262,014.19	13,390.50	284,274.87	297,665.37

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(2) (b). Reconciliation of Consolidated Profit and Loss and Consolidated Other comprehensive income for the year ended March 31, 2019 :

Particulars	Reference Notes on Adjustments	Year ended 31st March 2019		
		IGAAP	Effects of transition to Ind AS	Ind AS
Income				
Interest Income	17	4.15	(0.04)	4.11
Dividend Income from Equity Instruments		472.27	-	472.27
Gain on redemption of Investments in Mutual Funds		1,347.33	-	1,347.33
Others		18.47	-	18.47
Total Income		1,842.22	(0.04)	1,842.18
Expenses				
Employee benefits expense	19	36.33	0.04	36.37
Depreciation and Amortization expense		0.57	-	0.57
Other Expenses		24.64	-	24.64
Total Expenses		61.54	0.04	61.58
Profit before Exceptional Items and Tax		1,780.68	(0.08)	1,780.60
Exceptional items - Interest realised on Loan		149.05	-	149.05
Profit Before Tax		1,929.73	(0.08)	1,929.65
Tax Expense :				
Current Tax		300.15	-	300.15
Deferred tax Charge/(-)Credit		28.48	-	28.48
Earlier year tax provision (net)		0.28	-	0.28
Profit after Tax for the year (A)		1,600.82	(0.08)	1,600.74
Other Comprehensive Income				
<u>Items that will be reclassified to the profit or loss</u>				
Fair Value Changes in Debt instruments through Other Comprehensive Income(FVTOCI)		-	711.86	711.86
Less: Reclassified to profit or loss from OCI on sale		-	(1,068.50)	(1,068.50)
Less: Income tax effect (including Adjustments)		-	75.84	75.84
<u>Items that will not be reclassified to the profit or loss</u>				
Fair Value Changes on Equity instruments through Other Comprehensive Income (FVTOCI)		-	34,425.62	34,425.62
Less: Income tax effect (including Adjustments)		-	(8,193.11)	(8,193.11)
Remeasurement of the defined benefit plans		-	0.04	0.04
Less: Income tax effect on above		-	(0.01)	(0.01)
Total Other comprehensive Income, net of tax (B)		-	25,951.74	25,951.74
Total Comprehensive Income for the year (A+B)		1,600.82	25,951.66	27,552.48

(2) (c). Reconciliation of Consolidated Total comprehensive income for the year ended March 31, 2019 :

Particulars	Notes on Adjustments	Year ended 31st March 2019		
		IGAAP	Effects of transition to Ind AS	Ind AS
Profit after Tax as per previous IGAAP #		1,600.82		1,600.82
Total effect of transition to Ind-AS		-	(0.08)	(0.08)
Profit after Tax as per Ind-AS		1,600.82	(0.08)	1,600.74
Other comprehensive income for the year (net of tax)		-	25,951.74	25,951.74
Total comprehensive income under Ind-AS		1,600.82	25,951.66	27,552.48

Under previous GAAP, total comprehensive income was not reported. therefore, the above reconciliation starts with Profit under the previous GAAP.

(3) Reconciliation of Consolidated Statement of Cash Flow as previously reported under IGAAP to Ind AS for the year ended 31st March, 2019:

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

III Notes to First-time adoption:

(a) Retained Earnings (Surplus)

Consolidated Retained earnings as at 1st April, 2018 & 31st March, 2019 has been adjusted consequent to the above Ind AS transition adjustments.

(b) Financial Liabilities:

Financial liabilities which were recognised at historical cost under previous GAAP, have been recognised at amortised cost under IND AS with the difference, if any, in case of Financial liabilities having other than short term maturities, are adjusted to Consolidated Opening retained earnings at the date of transition.

(c) Financial Assets

Under the previous GAAP, Investments in Debt instruments being Bonds, Debentures, Debt mutual fund units etc. were classified as long term (other than Trade) investments based on the intended holding period and its realisability and were carried at cost less provision for other than temporary decline in value of such investments. Under Ind AS, these investments are required to be measured Either at Amortised Cost by applying Effective Interest Rate OR At Fair Value through Other Comprehensive income (FVTOCI) as per Business Model and Cash flow characteristics. The Financial assets measured at FVTOCI, the resulting fair value changes have been recognized in Other Comprehensive Income for the year ended 31st March, 2019 and at the date of transition i.e. 01-04-2018, difference between Fair value of these FVTOCI Investments and Previous GAAP carrying amount has been recognised as a separate component of Equity as “Accumulated Balance of OCI : Debt Instruments through OCI”, net of related deferred Taxes.

Under the previous GAAP, investments in Quoted and Unquoted equity Shares were classified as Long term (non trade) investments and carried at cost less provision for other than temporary decline in value of such investments. Under Ind AS the company has designated such Investments as Investments measured at fair value through Other Comprehensive income (FVTOCI). At the date of transition, difference between these Investments fair value and Previous GAAP carrying amount has been recognised as a separate component of Equity as “Accumulated Balance of OCI : Equity Instruments through OCI”, net of related deferred Taxes. Further, the Equity Shares measured at Fair value through OCI, the resulting fair value changes, net of related deferred taxes have been recognized in Other Comprehensive Income for the year ended 31st March, 2019.

(d) Other Comprehensive Income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit and loss for the period, unless a standard required or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in the statement of profit and loss as “Other Comprehensive Income” includes Remeasurement (actuarial gain /loss) of defined benefit plans, Fair value changes of financial instruments i.e. Investment in Equity Shares (other than Investment in Subsidiary/Associates), Investment in Debt based Mutual Funds etc.) measured at Fair value through OCI. The concept of other comprehensive income did not exist under previous GAAP.

(e) Deferred taxes:

Under previous GAAP, deferred taxes were recognised based on profit and loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is being recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax liability have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has been recognised to the extent Group has reasonable certainty over future taxable profits as against virtual certainty under the previous GAAP.

(f) Remeasurement of Defined benefit Plans (Post employment benefit plans)

Under Ind AS, remeasurements i.e. actuarial gains /losses and return on plan assets, excluding amount included in the net interest expenses on the net defined benefit liability are recognised in Other Comprehensive Income(OCI) instead of Profit or Loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the Total equity.

(g) Proposed Dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as subsequent events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as liability/ provision. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting i.e. in next financial year.

30 FAIR VALUE MEASUREMENTS :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a orderly transactions in the principal (Or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) , regardless of whether that price is directly observable or estimated using a valuation technique.

The following methods and assumptions are used to estimate the fair value :

- (a) The fair value of quoted equity Shares is derived from quoted market prices in active markets.
- (b) The fair value of Unquoted Equity shares (FVTOCI financial instruments) is derived as per Level 3 techniques, in case Observable market data is not available.
- (c) The fair value of Mutual Funds is derived from the available declared /Quoted NAV of units.
- (d) Assets held for collection of contractual cash flow where cash flows represent sole payment of Principle and Interest like Bonds/ Debentures /Corporate Deposit are measured at Amortised Cost. Interest income from these financial assets is calculated using the effective Interest rate method.

The management has assessed that cash and cash equivalents, Other Receivables (Financial assets) and trade payables are approximate at their carrying amounts largely due to the short term maturities of these instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices /declared NAVs in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: inputs which are not based on observable market data.

Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March, 2020 are as follows:

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial Assets					
Cash and cash equivalents	-	-	6.56	6.56	6.56
Bank balances other than above	-	-	1,169.85	1,169.85	1,169.85
Investments :					
Debt mutual Funds	-	6,674.70	-	6,674.70	6,674.70
Bonds /Debentures	-	-	5,155.38	5,155.38	5,155.38
Corporate Deposits	-	-	2,000.00	2,000.00	2,000.00
Equity Shares (other than Investment in Sub-sidiary)	-	283,364.91	-	283,364.91	283,364.91
Other financial assets	-	-	305.46	305.46	305.46
Total	-	290,039.61	8,637.25	298,676.86	298,676.86
Financial Liabilities					
Other Payables	-	-	3.07	3.07	3.07
Other financial Liabilities	-	-	3.85	3.85	3.85
Total	-	-	6.92	6.92	6.92

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The carrying value and fair value of financial instruments by categories as at 31st March, 2019 are as follows:

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial Assets					
Cash and cash equivalents	-	-	9.53	9.53	9.53
Bank balances other than above	-	-	3.74	3.74	3.74
Investments :					
Debt mutual Funds		13,295.22	-	13,295.22	13,295.22
Bonds /Debentures	-	-	1,004.37	1,004.37	1,004.37
Corporate Deposits	-	-	-	-	-
Equity Shares (other than Investment in Subsidiary)	-	283,290.11	-	283,290.11	283,290.11
Other financial assets	-	-	31.23	31.23	31.23
Total		296,585.33	1,048.87	297,634.20	297,634.20
Financial Liabilities					
Other Payables	-	-	1.51	1.51	1.51
Other financial Liabilities	-	-	3.75	3.75	3.75
Total	-	-	5.26	5.26	5.26

The carrying value and fair value of financial instruments by categories of the Group as at 1st April 2018 'are as follows:

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial Assets					
Cash and cash equivalents	-	-	8.59	8.59	8.59
Bank balances other than above	-	-	4.05	4.05	4.05
Investments :					
Debt mutual Funds	-	13,074.61		13,074.61	13,074.61
Bonds /Debentures	-	-	3.23	3.23	3.23
Equity Shares (other than Investment in Subsidiary)	-	248,864.48	-	248,864.48	248,864.48
Other financial assets	-	-	0.21	0.21	0.21
Total	-	261,939.09	16.08	261,955.17	261,955.17
Financial Liabilities					
Other Payables	-	-	1.31	1.31	1.31
Other financial Liabilities	-	-	4.05	4.05	4.05
Total	-	-	5.36	5.36	5.36

Fair value estimation

For financial instruments measured at fair value in the Consolidated Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

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For Financial assets which are carried at fair value, the classification of fair value calculations by category of the Group in the Consolidated financial statements is summarised below:

(₹ in lakhs)

Particulars	Carrying Value	Fair Values					
		measured through Profit and Loss (FVTPL)			measured through OCI (FVTOCI)		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
As at 31st March, 2020							
Financial Assets							
Debt mutual Funds	6,674.70	-	-	-	6,674.70	-	-
Equity Shares (other than Investment in Subsidiary)	283,364.91	-	-	-	21,017.97	-	262,346.94
	290,039.61	-	-	-	27,692.67	-	262,346.94
As at 31st March, 2019							
Financial Assets							
Debt mutual Funds	13,295.22	-	-	-	13,295.22	-	-
Equity Shares (other than Investment in Subsidiary)	283,290.11	-	-	-	28,270.64	-	255,019.47
	296,585.33	-	-	-	41,565.86	-	255,019.47
As at 1st April, 2018							
Financial Assets							
Debt mutual Funds	13,074.61	-	-	-	13,074.61	-	-
Equity Shares (other than Investment in Subsidiary)	248,864.48	-	-	-	22,994.20	-	225,870.28
	261,939.09	-	-	-	36,068.81	-	225,870.28

There are no changes in classification and no movements between the fair value hierarchy classifications of financial assets during the years.

31 FINANCIAL RISK MANAGEMENT

The Group is not carrying any business operations, however income has been generated from Investments of its surplus funds being Investment in Debt Securities, Equity Instruments and Bank Deposits. The Company's financial assets are Investment in Debt Securities (Bonds, Debentures, Corporate Deposits, Debt based Mutual Funds, etc.) Cash and Cash equivalents, Bank Deposits other than cash and Cash equivalents, Loan and Other Receivables & Financial Liabilities are Trade/other payables and Other Financial liabilities.

The Group's activities expose to financial risk i.e. Liquidity Risk, Market Risk, Credit risk etc. The management of respective entities in the Group provide guiding principles for overall risk management, as well as principle for investment of available funds including review of such policies for managing each of applicable type of financial risks, which are summarised as below :

(a) Liquidity risk

The Group's principal source of liquidity are "Cash and Cash equivalents" and Cash in flow that are generated from income from Investments. Liquidity risk is defined as a risk that the company will not be able to settle or meet its obligations on time.

Liquidity risk management implies maintenance of sufficient cash to meet the obligations as and when due. The Group manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. The Group has invested its surplus fund also in fixed income securities /instruments of similar profile thereby ensuring availability of liquidity as and when required. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Group and accordingly, no liquidity risk is perceived.

The following is the contractual maturities of the financial liabilities:

(₹ in lakhs)

Particulars	Carrying amount (At amortised Cost)	1-12 months	More than 12 months
<u>Non-derivative liabilities</u>			
<u>As at March 31, 2020</u>			
Other payables	3.07	3.07	-
Other financial Liabilities	3.85	3.85	-
Total	6.92	3.07	-
<u>As at March 31, 2019</u>			
Other payables	1.51	1.51	-
Other financial Liabilities	3.75	3.75	-
Total	5.26	5.26	-
<u>As at April 01, 2018</u>			
Other payables	1.31	1.31	-
Other financial Liabilities	4.05	4.05	-
Total	5.36	5.36	-

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk generally comprises three types of risk: Interest rate risk, Currency risk and Price risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including quoted investments, deposits, foreign currency receivables, payables and loans and borrowings.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has neither payables & receivables in foreign currency, not holding Foreign Assets and also not entered into transactions in the foreign currency during the year under report, therefore the Group activities are not exposed to foreign exchange risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The Group interest rate risk is from Investments in Debt securities (Bonds, Debentures, Corporate deposits etc.). In order to optimise the Group's position with regard to Interest Income, the management of the respective entities under Group manages the Interest rate risk by diversifying its Debt Investments portfolio across tenures.

(iii) Price Risk

Price risk arises due to volatility in the market prices of financial instruments for which market prices are available (i.e. Quoted price for quoted equity shares and Declared NAV/ Quoted NAV for Debt based MF). The Group is exposed to price risk arising mainly from Investment measured at Fair value through OCI (FVTOCI) being Equity Shares (Quoted) and Debt based Mutual Funds. The Group's exposure to Debt based mutual funds falls in very low risk category due to investments are in high rated schemes. To optimise Price risk, policy of diversification has been followed in case group's Debt based MF portfolio. As regards the Group's investment in Unquoted Equity Shares, which are long term in nature and fair valuation of these Investments are largely depend on performance of the respective entities under Group and hence the price risk emanating from shortfall in performance has been reviewed closely.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. The Group is not carrying any business activities and thus has no transactions with customers. In case of the Group's Investment portfolio, Credit risk may arise from Bank Balances (including Fixed Deposits) and Investment in Debt securities like Bonds, Debentures, Corporate Deposits and Debt based Mutual Funds.

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To manage Credit Risk on these financial assets, the respective entities under Group has an investment policy which allows respective entities to invest only in high rated schemes/ papers/ bonds /NCD /Corporate deposits etc. considering the safety of Investment first along with lower risk and reasonable returns. At Group level, Credit worthiness of counterparties has been tracked and the rating of investments has been closely reviewed and as far as possible, the immediate suitable remedial actions has been taken.

32 Additional information in terms of Schedule III of the Companies Act, 2013 for the year ended March 31, 2020

Name of the entities in the Group	Net Assets, i.e., Total Assets minus Total Liabilities		Share in profit or (loss)		Share in Other Comprehensive income (OCI)		Share in Total Comprehensive income (TCI)	
	As % of consolidated net assets	Amount (In Lakhs)	As % of consolidated profit or loss	Amount (In Lakhs)	As % of consolidated OCI	Amount (In Lakhs)	As % of consolidated TCI	Amount (In Lakhs)
1. Parent (Indian)								
PNB Finance And Industries Limited	54.04%	127,331.94	79.30%	1,042.80	16002.27%	(6,901.78)	-460.68%	(5,858.98)
2. Subsidiary Companies (Indian)								
Jacaranda Corporate Services Ltd.	42.17%	99,372.51	20.42%	268.56	2656.62%	(1,145.80)	-68.98%	(877.24)
Punjab Mercantile and Traders Ltd.	3.79%	8940.03	0.27%	3.58	-18558.89%	8004.45	629.66%	8,008.03
3. Minority Interests in all subsidiaries	-	-	-	-	-	-	-	-
Total	100.00%	235,644.48	100.00%	1314.94	100.00%	(43.13)	100.00%	1271.81

33 OTHER DISCLOSURES

Other Notes and disclosures to be considered in the consolidated financial statements are similar to those of Standalone financial statements of PNB Finance and Industries Ltd; and hence have not been repeated here.

The relevant note reference in the Standalone financial statements are given below :

Particulars	Note reference of Standalone financial Statements
1) Dues to Micro, small and medium Enterprises	Note 10
2) Foreign Exchange earnings and outgo	Note 28
3) Capital management	Note 34
4) Recent accounting pronouncements	Note 38

There are no changes arising out of inclusion of the subsidiaries in the above disclosures.

34 Previous Year Figures have been re-grouped/re-casted wherever considered necessary to conform to this year's classification.

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

for and on behalf of the Board of Directors

Sanjay Agrawal

Partner

Membership No. 087786

UDIN 20087786AAAAAZ8356

Govind Swarup

Director

DIN: 00003145

Mohit Jain

Director

DIN: 01315482

Place: New Delhi

Date: June 26, 2020

Viveka Nand Jha
Chief Financial Officer
PAN - AEXPJ2176H

Shweta Saxena
Company Secretary
Membership No. A18585

