

122nd

ANNUAL REPORT

2016-2017

**PNB FINANCE AND
INDUSTRIES LIMITED**

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BOARD OF DIRECTORS

GOVIND SWARUP	<i>DIRECTOR</i>
MOHIT JAIN	<i>DIRECTOR</i>
MUKESH GUPTA	<i>DIRECTOR</i>
ASHISH VERMA	<i>DIRECTOR</i>
SAUMYA AGARWAL	<i>DIRECTOR</i>

COMPANY SECRETARY

SHWETA SAXENA

CHIEF FINANCIAL OFFICER

VIVEKA NAND JHA

MANAGER

VIJAYA AGARWAL

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
10, DARYAGANJ, NEW DELHI
Tel : 011-39843340-41
E-mail : pnbfinanceindustries@gmail.com
Website: www.pnbfinanceandindustries.com

PNB FINANCE AND INDUSTRIES LIMITED

PNB FINANCE AND INDUSTRIES LIMITED

CIN: L65929DL1947PLC001240

Registered Office: 10, Daryaganj, New Delhi- 110002

Tel: 011-39843340-41

Website: pnbfinanceandindustries.com

email: pnbfinanceindustries@gmail.com

NOTICE

NOTICE is hereby given that the 122nd Annual General Meeting of the Company will be held on Tuesday, the September 26, 2017 at 10.00 AM at Conference Hall, First Floor, 10, Daryaganj, New Delhi- 110002 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2017, including the audited Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors' thereon.
2. To declare a dividend for the year ended March 31, 2017.
3. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies(Audit and Auditors) Rules, 2014, (including any statutory modifications or re-enactment thereof, for the time being in force), and pursuant to resolution passed by the members at the Annual General Meeting (AGM) held on September 22, 2015, the appointment of M/s Awatar & Co., Chartered Accountants (FRN:000726N) as the Auditors of the Company to hold office till the conclusion of the 125th AGM of the Company be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them.”

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

Shweta Saxena
Company Secretary
Membership No. A18585

Place : New Delhi
Dated : May 26, 2017

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 20, 2017 to Tuesday, September 26, 2017 (both days inclusive) for the purpose of payment of dividend and Annual General Meeting. The cut-off date for determining the Members who are entitled to vote through remote e-voting or voting at the meeting is September 19, 2017.
2. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten percent of the total share capital of the Company.
3. The proxy form should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting and a Proxy shall be accepted even on a holiday if the last date by which it could be accepted is a holiday. A Proxy form for the Annual General Meeting is enclosed.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Report, as the same will not be distributed at the meeting.
7. The Register of Directors and Key Managerial personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
8. Dividend recommended by the Board of Directors, if approved by the members at the Annual General Meeting, will be paid to those members whose names appear on the Register of Members as on September 19, 2017. In respect of shares held in electronics form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

9. In order to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide, if not provided earlier, their bank account details, quoting folio numbers, to the Company's Registrar & Share Transfer Agent, M/s Skyline Financial Services (P) Ltd.
10. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent- M/s Skyline Financial Services (P) Ltd.
11. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund. The unpaid dividend for the financial year 2009-10 shall become due for transfer to the Fund on October 28, 2017.
12. In terms of Section 72 of the Companies Act, 2013, 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.
13. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their by remote e-voting shall be able to exercise their rights at the Annual General Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again. The instructions for e- voting is sent along with the notice.
14. Copies of the Annual Report 2017, Notice of 122nd Annual General Meeting and instruction for e-voting, along with the Attendance Slip and Proxy Form are being sent by electronic mode only to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
15. The physical copies of the Annual Report 2017 and Notice of 122nd Annual General Meeting will also be available at the Company's registered office for inspection during normal business hours on working days. The said documents are also available on the Company's website: www.pnbfinanceandindustries.com. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at pnbfinanceindustries@gmail.com.
16. As has been informed, the shares of your Company can now be traded in electronic mode only. The shareholders are hereby requested to get their securities dematerialized to avail of the advantages of the scrip less trading.

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

Shweta Saxena
Company Secretary
Membership No. A18585

Place : New Delhi
Dated : May 26, 2017

DIRECTORS' REPORT

Your directors feel immense pleasure in presenting the 122nd Annual Report of the Company together with financial statements and auditors' report thereon for the financial year ended March 31, 2017.

Financial performance

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

	(₹ Lakhs)	
	Current Year	Previous Year
Profit before tax	335.38	1071.37
Provision for Tax		
— Current year	10.97	130.67
— Earlier year	-	1.29
— Deferred tax	(1.20)	(16.52)
— MAT credit Entitlement	(4.78)	-
— Profit after tax	330.39	955.93

Reserves

The Board proposes to carry a sum of ₹ 20.00 lakh to general reserves of the Company and ₹ 66.08 lakh to special reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Dividend

Your directors have recommended a dividend of ₹ 0.60 per equity share of ₹ 10/- each of the Company for the financial year ended March 31, 2017.

During the year 2016-17, unclaimed dividend of ₹ 54,557.70/- transferred to the Investor Education and Protection Fund, as required by the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

Dematerialisation of securities

The shares of your Company are compulsorily tradable in electronic mode under ISIN no. INE057F01011.

The shareholders are requested to avail the benefits of dematerialization

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the Corporate Governance requirements set out by 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 SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 forms part of this Annual

Report. The requisite Certificate from M/s Nityanand Singh & Co., Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V, is attached to this Report.

Risk Minimization Policy

The Company is following risk minimization policy and it is also posted on the website of Company-www.pnbfinanceandindustries.com.

The Company invests all its surplus funds in debt based mutual funds of reputed Mutual Fund Houses, Fixed Deposits of Scheduled Banks, Corporate Deposits of top rated NBFC's, Government Bonds and Equity shares of Listed or Non listed Companies. The Company does not make any investment in equity Linked Mutual Funds due to risk profile of the equity investments

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.

Corporate social responsibility (CSR)

Section 135 of the Companies Act, 2013 and the rules framed thereunder prescribe that every company having a net worth of ₹ 500 cr or more or a turnover of ₹ 1000 cr or more or a net profit of ₹ 5 cr or more during any financial year shall ensure that the company spends, in every financial year, atleast 2% of the average net profits made during the three immediately preceding financial years in pursuance of its CSR policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. Accordingly, the Company is required to spend an amount of ₹ 17.62 lakh on CSR activities for the financial year ending March 31, 2017.

The Company had promoted "Times Foundation for Social Justice Benefit and Welfare", a company registered under Section 8 of the Companies Act, 2013, to carry out its Corporate Social Responsibility activities. Activities of Times Foundation for Social Justice Benefit and Welfare are in the fields of Education, Environmental Change, Society & Sustainable Development etc.

The scope of the CSR activities of the Company will cover the areas / activities specified in Schedule VII of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules- 2014) as amended from time to time, and as appended to the Corporate Social Responsibility Policy as

Appendix-1. The said Appendix 1 may be revised in line with any amendments/inclusions/exclusions made to Schedule VII of the Act by the Government from time to time.

For more details on our CSR policy

visit: www.pnbfinanceandindustries.com/cor.html

The CSR Committee consists of the following directors:

1. Mr. Govind Swarup
2. Mr. Mohit Jain
3. Mr. Ashish Verma

The financial details as sought by the Companies Act, 2013 are as follows: ₹ in lakhs

Average net profit of the company for last three financial years	880.82
Prescribed CSR Expenditure (two per cent. of the above)	17.62
Total amount spent for the financial year	0*

*The Corporate Social Responsibility Committee of the Board has reviewed the status of contribution made for the previous years. The Committee has received confirmation from Times Foundation for Social Justice Benefit and Welfare that the contribution received for the financial year 2014-15 and 2015-16 have been accumulated for spending and would be utilised from July 2017 onwards towards furtherance of higher education. Since the expenditure will start from July 2017, the Committee would like to monitor usage of CSR funds before recommending further donations.

Public Deposits

The Company has neither accepted any public deposits during the year ended March 31, 2017 nor would accept any during the year 2017-18 without the prior approval of the Reserve Bank of India.

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.

Vigil Mechanism / Whistle Blower Policy

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 is explained in corporate governance report and also posted on the website of Company-www.pnbfinanceandindustries.com.

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

Cessation

Ms. Meeta Sachdeva has resigned from the Board of the Company w.e.f May 27, 2016 due to her preoccupations in other matters. The Board expressed its appreciation on her role in the growth of the Company during her tenure.

Appointment

Ms. Saumya Agarwal was appointed as a non executive independent director w.e.f. May 27, 2016 in the Annual General Meeting held on September 30, 2016.

Declaration by Independent Directors

All independent directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subsidiaries

The Company has three wholly owned subsidiaries namely Punjab Properties Limited, Punjab Mercantile and Traders Limited & Jacaranda Corporate Services Limited.

All the subsidiaries of the Company are unlisted and Jacaranda Corporate Services Limited is material unlisted subsidiaries as per Regulation 16(c) of the SEBI (Listing obligations and

Disclosure requirements) Regulations, 2015.

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

In accordance with section 129(3) of the Companies Act, 2013 read with the Regulation 34(2)(b) of the SEBI(Listing obligations and Disclosure requirements) Regulations, 2015, the Company has also prepared consolidated financial statements and the same also form part of the Annual Report. A separate statement containing the salient features of the financial statement of the subsidiary companies in Form AOC-1 is annexed as **Annexure 1**. The Company has no associate company as on March 31, 2017.

The Consolidated Financial statements and financial statements of the Subsidiary Companies will be available on Company's website-www.pnbfinanceandindustries.com and also be kept open for inspection at the Registered

Office of the Company.

Statutory Statement

Your Company continues to be registered as a Non-Banking Finance Company with the Reserve Bank of India. However, it has neither invited nor accepted any deposits from the public during the financial year 2016-17.

Management Discussion and Analysis Report

In accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Report.

Board evaluation

Pursuant to the provisions of Companies Act, 2013 and Regulation 4 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration 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.

Familiarization program for independent directors

The details of the familiarization program is available on our website www.pnbfinanceandindustries.com

Listing Agreement

The Company has been 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.

Remuneration Policy

The Remuneration Policy is stated in the Corporate Governance Report.

Meetings

During the year six Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing regulations were adhered to while considering the time gap between two meetings.

Audit Committee

The Company is having an audit committee comprising of the following directors:

Name	Status	Category
Govind Swarup	Chairman	Non Executive & Independent Director

Mohit Jain	Member	Non Executive & Independent Director
Mukesh Gupta	Member	Non Executive & Independent Director

Nomination and Remuneration Committee

The Company is having a Nomination and Remuneration Committee comprising of the following directors:

Name	Status	Category
Govind Swarup	Chairman	Non Executive & Independent Director
Mohit Jain	Member	Non Executive & Independent Director
Mukesh Gupta	Member	Non Executive & Independent Director

Stakeholders Relationship Committee

The Company is having a Stakeholders Relationship Committee comprising of the following directors:

Name	Status	Category
Mohit Jain	Chairman	Non Executive & Independent Director
Govind Swarup	Member	Non Executive & Independent Director
Ashish Verma	Member	Non Executive & Independent Director

Corporate Social Responsibility Committee

The Company is having a Corporate Social Responsibility Committee comprising of the following directors:

Name	Status	Category
Govind Swarup	Chairman	Non Executive & Independent Director
Mohit Jain	Member	Non Executive & Independent Director
Ashish Verma	Member	Non Executive & Independent Director

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- in the preparation of the financial statement for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 and of the profit of the company for the same period;

- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the financial statement on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Related Party transactions

There were no contracts or arrangements entered by the company in accordance with provisions of section 188 of the Companies Act, 2013. Further there were no related party transactions in terms of regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However in terms of AS 18, remuneration paid to KMP's and sitting fees paid to Directors is disclosed in the Notes to Financial Statements.

The policy on Related Party transactions as approved by the Board is uploaded on the Company's website: www.pnbfinanceandindustries.com.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Significant and material orders passed by the regulators or courts

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.

Information regarding conservation of energy and technology absorption

In view of the nature of operations of the Company, there are no particulars to be furnished in respect of conservation of energy and technology up gradation.

Foreign exchange earnings & outgo

There has been no outflow on account of foreign exchange earnings during the year under review.

Extract of annual return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure 2**.

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 is as follows:

No remuneration has been paid to the Directors during the financial year 2016-17.

Further, sitting fees paid to the Directors during the year has been mentioned in Corporate Governance Report.

Number of permanent employees in the Company: 2

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

- a) Employed throughout the year Nil
- b) Employed for part of the year Nil

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

Sr. No.	Name	Designation	Remuneration paid FY 2016-2017 (₹ in lakhs)	Remuneration paid FY 2015-2016 (₹ in lakhs)	Increase in Remuneration from Previous Year (%)	Increase in Company's Net Profit from previous year (%)
1	Vijaya Agarwal	Manager	0.12	0.12	Nil	Nil
2	Shweta Saxena	CS	15.15	13.72	10.42	(65.44%)
3	Viveka Nand Jha	CFO	10.29	9.01	14.21	(65.44%)

Auditors

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 the 125th Annual General Meeting (AGM) of the Company subject to ratification in every AGM. Appointment of M/s Awatar & Co., Chartered Accountants to be ratified as the statutory auditors of the Company by the shareholders.

Secretarial auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Nityanand Singh & Co (CP No.: 2388), Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report is annexed herewith as 'Annexure 3'.

Internal auditors

M/s A.V. Ravindranath & Co, Chartered Accountants (Firm Registration No.017483N) performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time.

Green Initiative

Electronic copies of Annual Report 2017, Notice of 122nd Annual General Meeting and instructions Slip and Proxy Form are sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Amendment Rules, 2015. The instruction of e-voting is sent along with the notice.

Acknowledgement

Your Directors wish to place on record its sincere thanks to the Bankers, the stakeholders and the employees for their continued support throughout.

MUKESH GUPTA	ASHISH VERMA
DIN: 06937352	DIN: 06939565
Directors	Directors

Place : New Delhi

Dated : May 26, 2017

Annexure 1

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/associate companies / Joint Ventures

Part "A" Subsidiaries

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

1	Name of the Subsidiary	Punjab Properties Ltd.	Punjab Mercantile And Traders Ltd.	Jacaranda Corporate Services Ltd.
2	Reporting period of the subsidiary	From 1st April, 2016 to 31st March, 2017	From 1st April, 2016 to 31st March, 2017	From 1st April, 2016 to 31st March, 2017
3	Share capital	5.00	5.00	20.00
4	Reserves and surplus	40.58	86.69	2753.67
5	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.	N.A.
6	Total assets	62.82	91.78	2773.76
7	Total liabilities	62.82	91.78	2773.76
8	Investments	43.74	88.94	2769.93
9	Turnover	2.18	3.47	274.28
10	Profit before taxation	1.43	(6.62)	273.64
11	Provision for taxation	0.43	-	25.78
12	Profit after taxation	1.00	(6.62)	247.86
13	Proposed dividend	Nil	Nil	Nil
14	% of shareholding	100.00	100.00	100.00

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

Place: New Delhi

Date: May 26, 2017

for and on behalf of the Board of Directors

Mukesh Gupta

Director

DIN :06937352

Shweta Saxena

Company Secretary

Membership No. A18585

Ashish Verma

Director

DIN :06939565

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

Annexure 2

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (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	: 10, Daryaganj, New Delhi- 110002
Whether listed company	: Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	: M/S 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
1	Other Financial Services	64990	99.89%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SN	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Punjab Properties Limited	U45101DL1972PLC006172	Subsidiary	100%	2(87)
2	Punjab Mercantile and Traders Limited	U52110DL1972PLC006380	Subsidiary	100%	2(87)
3	Jacaranda Corporate Services Limited	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 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters	No Promoters in the Company				No Promoters in the Company				
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

PNB FINANCE AND INDUSTRIES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
Total shareholding of Promoter (A)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	50462	50462	1.58	-	50462	50462	1.58	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-		50462	50462	1.58	-	50462	50462	1.58	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2171029	21598	2192627	68.52	2170976	21598	2192574	68.52	(0.002)
ii) Overseas					-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	88564	48619	137183	4.29	92458	42527	134985	4.22	(1.67)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	792431	-	792431	24.76	792431	-	792431	24.76	-
c) Others (specify)									
Non Resident Indians	17757	786	18543	0.58	18257	786	19043	0.59	2.70
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	400	-	400	0.01	200	-	200	0.01	(50.00)
Foreign Bodies - D R					-	-	-	-	-
HUF	8179	175	8354	0.26	8017	-	8017	0.25	(3.89)
others	-	-	-	-	-	2288	2288	0.07	100
Sub-total (B)(2):-	3078360	71178	3149538	98.42	3082339	67099	3149538	98.42	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3078360	121640	3200000	100	3082339	117661	3200000	100	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3074897	125103	3200000	100	3082339	117661	3200000	100	-

ii) Shareholding of Promoter-

SN.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	No Promoters	-	-	-	-	-	-	-
2								

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):

SN	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Artee Viniyoga Limited	801710	25.05	801710	25.05
2	Ashoka Viniyoga Limited	651660	20.37	651660	20.37
3	Camac Commercial Company Limited	520000	16.25	520000	16.25
4	Samir Jain	518827	16.21	518827	16.21
5	Meera Jain	196000	6.13	196000	6.13
6	Combine Holding Limited	161437	5.05	161437	5.05
7	Indu Jain	77604	2.43	77604	2.43
8	Shri Parasram Holdings Pvt. Limited	22009	0.69	22009	0.69
9	State Bank of India	20000	0.63	20000	0.63
10	State Bank of India	20000	0.63	20000	0.63

Note: There has been no increase/decrease in shareholding during the year

v) Shareholding of Directors and Key Managerial Personnel:

SN.	Shareholding of each Directors 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
	At the beginning of the year	None of the Directors and KMP's hold shares in the Company			
	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			
	At the end of the year	None of the Directors and KMP's hold shares in the Company			

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:

SN.	Particulars of Remuneration	Name of Manager	Total Amount
		Vijaya Agarwal	(in ₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12000	12000
	(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, specify...	-	-
5	Others, please specify	-	-
	Total (A)	12000	12000
	Ceiling as per the Act		

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Govind Swarup	Mohit Jain	Mukesh Gupta	Ashish Verma	Saumya Agarwal	(in ₹)
1	Independent Directors						
	Fee for attending board /committee meetings	3,20,000	-	2,20,000	1,60,000	1,00,000	8,00,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	3,20,000	-	2,20,000	1,60,000	1,00,000	8,00,000
2	Other Non-Executive Directors	-					
	Fee for attending board committee meetings	-					
	Commission	-					
	Others, please specify	-					
	Total (2)	-					
	Total (B)=(1+2)	3,20,000	-	2,20,000	1,60,000	1,00,000	8,00,000
	Total Managerial Remuneration	3,20,000	-	2,20,000	1,60,000	1,00,000	8,00,000
	Overall Ceiling as per the Act	Sitting Fees 1,00,000 per Board/ Committee Meeting					

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Shweta Saxena CS	Viveka Nand Jha CFO	Total (in ₹)
1	Gross salary	-		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1514616	1028688	2543304
	(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, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	1514616	1028688	2543304

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Annexure 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2017

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

To,
The Members,
PNB FINANCE AND INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance 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 the Company’s 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 for the financial year ended on 31st March, 2017, 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 books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017, in accordance to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and the Rules made thereunder to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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, 2009;
 - 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 which are applicable to the Company:
 - The RBI Regulations regarding Non-Banking Finance Companies (Non-Deposit Acceptance)

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standard -1 and Secretarial Standard -2 formulated by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.
- iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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, all the decisions in the Board meetings were carried out unanimously.

We further report that 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 there has been no instance of following during the audit period:

- Public/ Rights/ Preferential issue of shares/ Debentures/ Sweat equity.
- Redemption/ Buy-Back of securities.
- Major Decision taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- Merger/ Amalgamation/ Reconstruction etc.
- Foreign Technical Collaborations.

We also report that the compliances of other applicable laws, as listed in Para (VI) above, are based on the Management Certifications.

For Nityanand Singh & Co.,
Company Secretaries

Nityanand Singh (Prop.)
FCS No.: 2668/ CP No. : 2338

Place: New Delhi

Date: 02nd May, 2017

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

Annexure -A

To,
The Members

PNB FINANCE AND INDUSTRIES LIMITED

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.

For Nityanand Singh & Co.,
Company Secretaries

Nityanand Singh (Prop.)
FCS No.: 2668/ CP No. : 2338

Place: New Delhi

Date: 02nd May, 2017

REPORT ON CORPORATE GOVERNANCE

1. 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 to creating value on a sustainable basis. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

The Corporate Governance in the Company takes place at three interlinked levels i.e.,

- a) Strategic Supervision by the Board of Directors.
- b) Various Committees of the Board of Directors.
- c) Reporting and Disclosures.

2. BOARD OF DIRECTORS

(a) Composition

S.No.	Name of the Director	Executive/ Non-executive	No. of other directorships#	Memberships/Chairmanships at various committees##
1	Mr. Govind Swarup	Non-Executive/Independent	4	Chairman- 0 Member- 0
2	Mr. Mohit Jain	Non-Executive Independent	7	Chairman-0 Member-0
3	Mr. Mukesh Gupta	Non-Executive Independent	2	Chairman-0 Member-1
4	Mr. Ashish Verma	Non-Executive Independent	Nil	Chairman-0 Member-0
5	Ms. Meeta Sachdeva*	Non-Executive Independent	Nil	Chairman-0 Member-0
6	Ms. Saumya Agarwal**	Non-Executive Independent	Nil	Chairman-0 Member-0

*Resigned from directorship w.e.f. May 27, 2016

**Appointed as director w.e.f. May 27, 2016

As on March 31, 2017, the Board consists of five directors. All of them are Non- executive directors.

Excludes directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

##Only the audit committee & the stakeholders' relationship committee of other public limited companies have been considered.

(b) Meetings of the Board

The meetings of the Board are governed by a structured agenda, detailed notes whereof together with explanatory statements are circulated amongst the Directors well in advance to facilitate them to take well-versed and independent decisions.

During the financial year ended March 31, 2017, the Board met six times on April 29, 2016, May 27, 2016, August 05, 2016, September 30, 2016, October 28, 2016 and February 07, 2017.

Attendance at the Board and the Annual General Meeting

Name of the Director	No. of meetings held during the period the director was on Board	No of meetings attended	Presence at the last AGM
Mr.GovindSwarup	6	5	Yes
Mr.Mohit Jain	6	4	No
Mr. Mukesh Gupta	6	5	Yes
Mr. Ashish Verma	6	4	Yes
Ms. Meeta Sachdeva*	1	1	No
Ms.Saumya Agarwal**	5	5	Yes

*Resigned from directorship w.e.f. May 27, 2016

**Appointed as Director w.e.f. May 27, 2016

(c) Remuneration of the Directors

The Non-executive directors, apart from receiving sitting fees for attending Board meetings and committee meetings, do not have any other material pecuniary relationship or transaction with the Company. Non-executive directors were paid sitting fees of Rs. 20,000 for each board meeting and committee meetings attended by them. Mr. Mohit Jain and Ms. Meeta Sachdeva had given letter of waiver of sitting fees for the Board meetings/Committee meetings to the Company. The details of remuneration paid to the Non-executive directors for the financial year 2016-2017 are as follows:

Name of Director	Sitting fee (in ₹)		
	Board Meeting	Audit Committee Meeting	Stakeholders Relationship Committee Meeting
Mr. Govind Swarup	1,00,000	80,000	80,000
Mr. Mohit Jain	Nil	Nil	Nil
Mr. Mukesh Gupta	1,00,000	80,000	Not a member
Mr. Ashish Verma	80,000	Not a member	80,000
Ms. Meeta Sachdeva*	Nil	Not a member	Not a member
Ms. Saumya Agarwal**	1,00,000	Not a member	Not a member

*Resigned from directorship w.e.f. May 27, 2016

**Appointed as Director w.e.f. May 27, 2016

Details of shares held by the Non-executive directors as on March 31, 2017

1. Mr. Govind Swarup - Nil
2. Mr. Mohit Jain – Nil
3. Mr. Mukesh Gupta- Nil
4. Mr. Ashish Verma- Nil
5. Ms. Saumya Agarwal- Nil

(d) 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 Obligations and Disclosure Requirements)Regulation, 2015. It also includes the duties of Independent Director as laid down in Companies Act, 2013. The Code is posted on the website of the Company-www. pnbfinanceandindustries.com.

All the Board members and senior management personnel have affirmed compliance with the code of conduct and a declaration to this effect is attached and form part of this Report.

3. 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

(a) Audit Committee

(i) Composition

The Audit Committee comprises of three Non-executive Independent Directors. The constitution of the Audit Committee also meets with the requirement of Section 177 of the Companies Act, 2013. The terms of reference stipulated by the Board to the Audit Committee are as contained in Part C of Schedule II of SEBI(Listing Obligations and Disclosure Requirements)Regulation, 2015.

Ms. Shweta Saxena, Company Secretary is the Secretary to the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting held on September 30, 2016 to reply to the shareholders' queries.

During the financial year ended March 31, 2017, the Committee met four times May 25, 2016, August 05, 2016, October 28, 2016 and February 07, 2017.

Composition and attendance details of each member at audit committee meeting:

Name of Director	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr. Govind Swarup	Non-Executive Independent	Chairman	04	04
Mr. Mohit Jain	Non-Executive Independent	Member	04	04
Mr. Mukesh Gupta	Non-Executive Independent	Member	04	04

(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, as also 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)Regulation, 2015 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

The Nomination and Remuneration Committee comprises of three Non-executive Independent Directors. The constitution of the Nomination and Remuneration Committee also meets with the requirement of Section 178 of the Companies Act, 2013. The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Shweta Saxena, Company Secretary is the Secretary to the Committee.

During the financial year ended March 31, 2017, the Committee met two times i.e. on May 16, 2016 and January 16, 2017.

Composition and attendance details of each member at nomination and remuneration committee meeting:

Name of Director	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr. Govind Swarup	Non-Executive Independent	Chairman	02	02
Mr. Mohit Jain	Non-Executive Independent	Member	02	02
Mr. Mukesh Gupta	Non-Executive Independent	Member	02	02

(ii) Terms of Reference:

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

1. Identify person who is qualified to become Director 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 carry out evaluation of every director's performances;
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. Devising a policy on Board diversity;
4. Formulation of criteria for evaluation 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. To perform such other functions as may be necessary or appropriate for the performance of its duties.

(iii) Policy for selection and appointment of directors and their remuneration

The Nomination and Remuneration Committee formulated a policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

Appointment and removal of director, KMP and senior management

i. Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders of the Company.

ii. Term / Tenure

1. The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
3. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
4. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

iv. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

v. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Remuneration for director, KMP and senior management

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

1. The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made there under.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
4. This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

i. Remuneration to Whole-time / Executive / Managing Director

Fixed pay

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

Remuneration in case of no profits or inadequate profits

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

ii. Remuneration / Commission to Non - Executive / Independent Director Remuneration / Commission

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The Director may however waive off at any time his entitlement & the sitting fees or any other benefit from time to time.

Commission

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1 percentage of the profits of the Company computed as per the applicable provisions of the Act.

(c) Stakeholders Relationship Committee

(i) Composition

Stakeholders Relationship Committee comprises of three non-executive Independent Directors – Mr. Govind Swarup, Mr. Mohit Jain and Mr. Ashish Verma. Mr. Mohit Jain acts as the Chairman of the Committee. Ms. Shweta Saxena, Company Secretary, is the Compliance Officer of the Company.

Composition and attendance details of each member at the Stakeholders relationship committee meeting:

Name of Director	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr. Mohit Jain	Non-Executive Independent	Chairman	04	04
Mr. Govind Swarup	Non-Executive Independent	Member	04	04
Mr. Ashish Verma	Non-Executive Independent	Member	04	04

(ii) Brief terms of reference

The Committee looks into redressing of Shareholders Grievance relating to transfer of shares, issue of duplicate shares, splits, dematerialization and rematerialisation of shares, non receipt of dividend and ensures expeditious share transfer process.

(iii) Complaint Status

The Company and the Registrar & Share Transfer Agents has received nil complaints during the financial year ended March 31 , 2017.

(d) Corporate Social Responsibility (CSR) Committee

(i) Composition

CSR committee of the Company comprised three independent directors as members as on March 31, 2017: Mr. Govind Swarup, Mr. Mohit Jain and Mr. Ashish Verma

Composition and attendance details of each member at the Corporate Social Responsibility committee meeting:

Name of Director	Category	Position Held	No. of Committee Meeting	
			Held	Attended
Mr. Govind Swarup	Non-Executive Independent	Chairman	01	01
Mr. Mohit Jain	Non-Executive Independent	Member	01	01
Mr. Ashish Verma	Non-Executive Independent	Member	01	01

(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 and 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, 2017 is given in the Board’s report.

4. INDEPENDENT DIRECTORS’ MEETING

During the year under review, the Independent Directors met one time on January 20, 2017, inter alia to discuss:

- 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.

5. PERFORMANCE EVALUATION

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

i) 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.

ii) 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.

iii) 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.

iv) Traits for Board/Committees

Improvement in effectiveness goes beyond imposing a structure, or requiring attendance at Board meetings. Surely these contributes 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.

6. GENERAL BODY MEETINGS

Financial Year	Venue	Day	Date	Time
2015-16	Conference Hall, 1 st Floor, 10 Drayaganj, New Delhi-110002	Friday	September 30, 2016	10.30 A.M.
2014-15	Conference Hall, 1 st Floor, 10 Drayaganj, New Delhi-110002	Tuesday	September 22, 2015	10.00 A.M.
2013-14	Conference Hall, Ground Floor, Indian Islamic Cultural Centre, 87-88, Lodhi Road, New Delhi- 110003	Wednesday	July 30, 2014	11.00 A.M.

No special resolution was passed in the year 2013-14,2014-2015 and 2015-16.

No special resolutions were implemented through postal ballot during the year under review, nor any such resolutions are presently proposed.

7. DISCLOSURES BY MANAGEMENT

- a. No material, financial and commercial transactions were reported by the management to the Board, in which the management had personal interest having a potential conflict with the interest of the Company at large.
- b. There are no transactions with the Directors or Management, their associates or their relatives etc. that may have potential conflict with the interest of the Company at large.
- c. There was no non-compliance during the year 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.

- d. The Company did not raise any funds through public issue, right issue, preferential issue etc. during the financial year.
- e. The Management Discussion & Analysis is attached herewith & forms a part of the Report.
- f. With respect to CFO certification, a certificate signed by Mr. Viveka Nand Jha, CFO is attached with this report.
- g. The Company has established a Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- h. All mandatory requirements (except where not relevant or applicable) of Corporate Governance have been complied. It has not adopted any of the non mandatory requirements.

8. MEANS OF COMMUNICATION

The quarterly as well as the half-yearly results of the Company are usually published in “The Pioneer” (English and Hindi Edition) and also displayed on Company’s website: www.pnbfinanceandindustries.com.

9. SHAREHOLDERS INFORMATION

- 1 Annual General Meeting** : September 26, 2017 Tuesday
Date, Time & Venue : 10.00 A.M. at Conference Hall, 1st Floor,
10 Daryaganj, New Delhi-110002
- 2 Financial Year** : 1st April- 31st March
- 3 Financial Calendar (Tentative)**
 - Financial reporting for the quarter ending on June 30, 2017 : Last week of July, 2017
 - Financial reporting for the quarter ending on Sept.30, 2017 : Last week of Oct., 2017
 - Financial reporting for the quarter ending on Dec.31, 2017 : Last week of Jan., 2018
 - Financial reporting for the year ending on March 31, 2018 : Last week of April, 2018
- 4 Book Closure Date** : September 20, 2017 to September 26, 2017
(both days inclusive)
- 5 Payment Date of Dividend** : On or after September 26, 2017
- 6 Listing on Stock Exchanges (Equity Shares)** : **Stock Code**
The Calcutta Stock Exchange : 26055
Demat ISIN Number in NSDL & CDSL for Equity Shares : INE057F01011
Listing fees has been paid for the financial year 2017-18.
- 7. Stock Market Data**
No trading took place during the last financial year at Calcutta stock exchange.
- 8. Registrar & Transfer Agent (both for physical and demat shares)**
In line with the directions issued by the Securities and Exchange Board of India, the entire share related work for physical as well as demat shares is handled by a SEBI registered Registrar and Transfer Agent – M/S Skyline Financial Services Private Limited. Their contact details are as under:
M/S Skyline Financial Services Private Limited
D-153/A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020 Tel : +91-11- 26812682,83
- 9. 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.
- 10. 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 the Securities and Exchange Board of India.
As on March 31, 2017, 96.32 % (30,82,339 Shares) of equity shares have been dematerialized.

11. Distribution of Shareholding as on March 31, 2017

Shareholding of Nominal Value of Rs.	Shareholders (Nos.)	Shareholders (%)	No. of Shares held	Shareholding (%)
Upto 5,000	2335	96.89	77969	2.44
5,001 - 10,000	38	1.58	29068	0.91
10,001 - 20,000	14	0.58	18279	0.57
20,001 - 30,000	4	0.16	10367	0.32
30,001 - 40,000	1	0.04	3200	0.10
40,001 - 50,000	1	0.04	4883	0.15
50,001 - 100,000	6	0.25	46987	1.47
Above 100,000	11	0.46	3009247	94.04
Total	2410	100.00	3200000*	100.00

*Including fractional coupons comprising 131 equity shares not yet exchanged.

12. Shareholding Pattern as on March 31, 2017

Category	No. of shares held	Shareholding (%)
A. Promoters' Holding	Nil	Nil
B. Non Promoters' Holding		
Institutional Investors/Banks	50462	1.58
Others		
1. Private Corporate Bodies	2192574	68.52
2. Indian Public	929704	29.05
3. NRIs/OCBs	19043	0.59
4. Public Trust	200	0.01
5. H.U.F.	8017	0.25
Total	3200000	100.00

*Including fractional coupons comprising 131 equity shares not yet exchanged.

13. Investors Correspondence : Company Secretary
 PNB Finance And Industries Limited
 10, Daryaganj, New Delhi- 110002
 Tel: +91-11-39843340, 39843341
 Email: pnbfinanceindustries@gmail.com

14. For transfer/demat/ rematerialisation of shares, change of address etc. : M/S Skyline Financial Services Private Limited
 D-153/A, 1st Floor, Okhla Industrial Area, Phase- I,
 New Delhi- 110020
 Tel : +91-11- 26812682-83

PNB FINANCE AND INDUSTRIES LIMITED

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
PNB FINANCE & INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **PNB Finance & Industries Limited (“the Company”)** for the year ended 31st March, 2017, 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 exchanges.

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 exchanges.

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.

For Nityanand Singh & Co.
Company Secretaries

Place : New Delhi
Date : 05th May, 2017

NITYANAND SINGH
Proprietor
FCS No. 2668 CP No. 2388

DECLARATION ON THE COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

In compliance with the provisions of Regulation 26(3) SEBI(LODR) Regulations, 2015, it is hereby certified that all the members of the Board and the senior management personnel have conformed 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.

Place : New Delhi
Date : May 26, 2017

MUKESH GUPTA
Director
DIN: 06937352

ASHISH VERMA
Director
DIN: 06939565

CFO CERTIFICATION

The Board of Directors,
PNB Finance and Industries Limited,
10, Daryaganj,
New Delhi

Dear Sirs,

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

- 1) I have reviewed the financial statements and the cash flow statement for the financial year 2016-17 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 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
 - 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
Dated : May 26, 2017

VIVEKA NAND JHA
Chief Financial Officer

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Macro Economic View

India's financial system remains stable, even though the banking sector continues to face significant challenges. While the global growth outlook and market sentiments have improved, political stability on the domestic front has further reinforced expectations of accelerated reforms, overall positive business sentiment and macroeconomic stability. While the retail inflation witnessed significant decline during the recent quarters, the real gross value added (GVA) growth declined to 6.6 per cent in 2016-17 as compared with 7.9 per cent in 2015-16.

India's GDP grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development Economic Survey of India, 2017.

The Indian economy has sustained a macro-economic environment of relatively lower inflation, fiscal discipline and moderate current account deficit coupled with broadly stable rupee-dollar exchange rate.

Economic growth is projected to remain strong and India will remain the fastest-growing G20 economy. The increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented. However, large non-performing loans and high leverage of some companies are holding back investment.

Monetary policy is projected to remain tight as inflation expectations have still not fully adjusted down. The need to reduce the relatively high public-debt-to-GDP ratio leaves little room for fiscal stimulus. However, investing more in physical and social infrastructure is critical to raising living standards for all. This should be financed by a comprehensive reform of income and property taxes. Restoring credit discipline and cleaning up banks' balance sheets will be instrumental to support the credit growth needed to finance more business investment.

Industry Developments

India's financial services sector has grown from strength to strength, built on prudential lending practices, robust regulatory environment and sound technology base, and has met the aspirations of the vast population and enabled economic activities. While commercial banking stays at the forefront of the financial system, the growing pie of financial services is divided across specialised players extending customised services to different customer segments. The competitive landscape of financial services sector has witnessed rapid growth in the last couple of decades. This movement is taking place on the back of market forces enabling inclusive growth, meeting sectorial thrust, leveraging policy initiatives and the ability to attract cost effective financial resources.

The aggregate balance sheet of the NBFC sector expanded by 14.5 per cent during 2016-17, their net profit was down by 2.9 per cent. Assets under management by Mutual Funds touched an all-

time high of more than ₹ 17.5 trillion by end-March 2017. From the perspective of larger financial system, Scheduled commercial Banks continued to be the dominant players accounting for nearly 51 per cent of the bilateral exposure followed by asset management companies managing mutual funds, NBFCs, all-India financial institutions insurance companies and housing finance companies.

The Reserve Bank also tightened its supervisory and enforcement frameworks by revising the prompt corrective action framework and establishing an Enforcement Department.

Concerns arising from frauds and cyber-attacks remain elevated with the recent global ransomware attacks. Various responses by the regulators in this regard include setting up of an Inter-disciplinary Standing Committee on Cyber Security by the RBI.

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 ₹ 3.30 crores during the year 2016-2017. The Company has generated income this year from dividend received and 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.

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 TO WHOM SO EVER IT MAY CONCERN

We have examined the books of accounts and other records of **PNB FINANCE AND INDUSTRIES LIMITED** for the Financial Year ending March 31, 2017. On the basis of the information submitted to us, we certify the following :

S.No.	Particulars	Details
1.	Name of the company	PNB FINANCE AND INDUSTRIES LIMITED
2.	Certificate of Registration No.	14.00572 dated 26-03-1998
3.	Registered Office Address	10, DARYAGANJ, NEW DELHI-110002
4.	Corporate Office Address	10, DARYAGANJ, NEW DELHI-110002
5.	The company has been classified by RBI as : (Investment Company/Loan Company / AFC / NBFC-MFI/ NBFC- Factor/ IFC/ IDF- NBFC)	INVESTMENT COMPANY
6.	Net Owned Fund (in Rs. Crore) (Calculation of the same is given in the Annex)	₹ 76.76 crore
7.	Total Assets (in Rs. Crore)	₹ 77.36 crore
8.	Asset-Income pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999)	
	a) % of Financial Assets to Total Assets	98.97%
	b) % of Financial Income to Gross Income (NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)	99.89%
9.	Whether the company was holding any Public Deposits, as on March 31, 2017? If Yes, the amount in Rs. Crore	No
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934).	Yes
11.	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No
12.	If the company is classified as an NBFC-Factor;	NA
	a) % of Factoring Assets to Total Assets	
	b) % of Factoring Income to Gross Income	
13.	If the company is classified as an NBFC-MFI; % of Qualifying Assets to Net Assets (refer to Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011)	NA
14.	If the company is classified as an AFC;	NA
	a) % of Advances given for creation of physical/real assets supporting economic activity to Total Assets	
	b) % of income generated out of these assets to Total Income	
15.	If the company is classified as an NBFC-IFC % of Infrastructure Loans to Total Assets	NA
16.	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI? (please refer to Master Directions issued by DNBR)	No
	i) Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions ; and	
	ii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions)	

PNB FINANCE AND INDUSTRIES LIMITED

In terms of Chapter II of the Master Direction- Non Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016, a separate report to the Board of Directors of the company has been prepared.

We have read and understood Chapter III of the Master Direction- Non Banking financial Companies Auditor's Report (Reserve bank) Directions, 2016.

For **A W A T A R & C O.**
Chartered Accountants
(FRN: 000726N)

(SANJAY AGRAWAL)
Partner
M.No. 087786

Place : New Delhi
Date : May 26, 2017

Annex

CAPITAL FUNDS – TIER I	(₹ in Crore)
(1) Paid-up equity capital	3.20
(2) Preference shares to be compulsorily convertible into equity	0.00
(3) Free reserves	
(a) General reserves	14.15
(b) Share premium	1.04
(c) Capital reserves (representing surplus on sale of assets held in separate account)	0.00
(d) Debenture redemption reserve	0.00
(e) Capital redemption reserve	0.00
(f) Credit balance in P & L Account	43.73
(g) Other free reserves (to be specified)	0.00
(4) Special reserve	15.10
Total	77.22
(5) Less : (i) Accumulated balance of loss	0.00
(ii) Deferred revenue expenditure	0.00
(iii) Deferred tax assets (net)	0.46
(iv) Other intangible assets	0.00
Owned Fund	76.76
(6) Investment in shares of :	
(a) Subsidiaries	0.00
(b) Companies in the same group	0.00
(c) Wholly owned subsidiaries	0.30
(d) Other non-banking financial companies	0.09
(7) The book value of debentures, bonds, outstanding loans and advances, bills purchased and discounted (including hire-purchase and lease finance) made to, and deposits with	
(a) Subsidiaries	0.00
(b) Companies in the same group	0.00
(c) Wholly owned shares / joint ventures abroad	0.00
(8) Total of 6 & 7	0.39
(9) Amount of item 8 in excess of 10% of item owned fund	0.00
(10) Net owned fund	76.76

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

M/s PNB FINANCE AND INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PNB FINANCE AND INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial

statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements

- comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 the financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **Annexure-B**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) The Company did not have any holdings or dealings in specified Bank notes during the period from November 08, 2016 to December 30, 2016 (Refer note no. 2.8)

For **AWATAR & CO.**

Chartered Accountants

Firm Registration No. 000726N

Sanjay Agrawal

Partner

Membership No. : 087786

Place : New Delhi

Date : 26th May, 2017

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, 2017)

- 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 or taken by the Company, to or from Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, according to the information and explanations given to us the company has not granted any such loan.
- 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, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, VAT 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 information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, 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) According to the information and explanation given to us, 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 **A W A T A R & C O.**

Chartered Accountants

Firm Registration No. 000726N

Sanjay Agrawal

Partner

Membership No. : 087786

Place : New Delhi

Date : 26th May, 2017

ANNEXURE-B

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PNB FINANCE AND 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 and Industries Limited** ("the Company") as of March 31, 2017 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 my /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, 2017, 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 **AWATAR & CO.**

Chartered Accountants

Firm Registration No. 000726N

Sanjay Agrawal

Partner

Membership No. : 087786

Place : New Delhi

Date : May 26, 2017

PNB FINANCE AND INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	Note No.	As at 31.03.2017 (₹ in lakhs)	As at 31.03.2016 (₹ in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	320.00	320.00
Reserves and surplus	4	7,402.40	7,072.01
Non current liabilities			
Long term provisions	5	7.60	7.22
Current liabilities			
Other current liabilities	6	5.56	5.92
Short term provisions	7	0.13	23.22
Total		<u>7,735.69</u>	<u>7,428.37</u>
ASSETS			
Non- current assets			
Tangible fixed assets	8	0.30	0.73
Non-current investments	9	7,655.73	6,799.98
Deferred tax assets(net)	10	45.88	44.68
Long term loans & advances	11	25.80	24.77
Current assets			
Current investments	12	-	371.00
Cash and bank balances	13	7.71	8.20
Short-term loans and advances	14	0.06	0.26
Other current assets	15	0.21	178.75
Total		<u>7,735.69</u>	<u>7,428.37</u>
Significant accounting policies & notes to financial statements	1 to 18		

The accompanying notes 1 to 18 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

Mukesh Gupta

Director

DIN :06937352

Ashish Verma

Director

DIN :06939565

Place: New Delhi

Date: May 26 , 2017

Shweta Saxena

Company Secretary

Membership No. A18585

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	Note No.	For the year ended 31.03.2017 (₹ in lakhs)	For the year ended 31.03.2016 (₹ in lakhs)
REVENUE			
Other income	16	408.12	1,123.49
Total		<u>408.12</u>	<u>1,123.49</u>
EXPENSES			
Employee benefits expenses	17	27.53	25.52
Other expenses	18	45.83	20.36
Depreciation	8	0.43	1.18
Total		<u>73.79</u>	<u>47.06</u>
Profit before exceptional items and tax		334.33	1,076.43
Exceptional item - Provision made / (written back) for Diminution in value of investments		(1.05)	5.06
Profit / (-)loss before tax		<u>335.38</u>	<u>1,071.37</u>
Tax expense			
Current tax		10.97	130.67
Earlier year tax provision (net)		-	1.29
MAT credit entitlement		(4.78)	-
Deferred tax liability/(asset)		<u>(1.20)</u>	<u>(16.52)</u>
Profit for the year		330.39	955.93
		-	-
Earnings per equity share			
Equity shares of par value ₹10/- each			
Basic (in ₹)		10.32	29.87
Diluted (in ₹)		10.32	29.87
Significant accounting policies & notes to financial statements	1 to 18		

The accompanying notes 1 to 18 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

Mukesh Gupta
Director
DIN :06937352

Ashish Verma
Director
DIN :06939565

Place: New Delhi
Date: May 26 , 2017

Shweta Saxena
Company Secretary
Membership No. A18585

Viveka Nand Jha
Chief Financial Officer
PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	For the year ended 31.03.2017 (₹ in lakhs)	For the year ended 31.03.2016 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(-) loss before tax	335.38	1071.37
Adjustment for:		
Depreciation on tangible fixed assets	0.43	1.18
Dividend from non current investments	(303.31)	(436.28)
(Profit) /loss on sale of non current investments(net)	(103.88)	(654.35)
Interest on corporate deposits	-	(32.12)
Interest on debentures (non current investment)	(0.48)	(0.48)
Provision made / (written back) for diminution in value of investments	(1.05)	5.06
Provision for gratuity	0.30	0.71
Provision for leave encashment	0.08	0.91
Operating profit/(-) loss before working capital changes	<u>(72.53)</u>	<u>(44.00)</u>
Adjustments for changes in working capital:		
(-)Increase/Decrease in short term loans and advances	0.21	0.09
(-)Increase/Decrease in other current assets	178.53	(161.71)
Increase/(-) Decrease in short term provisions	0.02	0.03
Increase/(-) Decrease in other current liabilities	(0.36)	(0.91)
Cash generated from /(-) used in operations	<u>105.86</u>	<u>(206.49)</u>
Income taxes paid (net of refunds)	(7.22)	(132.57)
Net cash from/ (-) used in operating activities A	<u>98.64</u>	<u>(339.06)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale /redemption of non current / current investments	533.19	2638.68
Purchase of investments (non current & current)	(913.00)	(3120.04)
Proceeds from maturity of corporate deposits	-	372.49
Interest on debentures	0.48	0.48
Interest received on corporate deposits	-	32.12
Dividend income on non current investments	303.31	436.28
Net cash from/(-) used in investing activitiesB	<u>(76.02)</u>	<u>360.01</u>

PNB FINANCE AND INDUSTRIES LIMITED

PARTICULARS	For the year ended 31.03.2017 (₹ in lakhs)	For the year ended 31.03.2016 (₹ in lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(19.20)	(19.20)
Dividend distribution tax	(3.91)	(3.91)
Net cash from/(-)used in financing activities C	(23.11)	(23.11)
Net increase/(-) decrease in cash and cash equivalents (A+B+C)	(0.49)	(2.16)
Cash and cash equivalents at the beginning of the year (opening balance)	8.20	10.36
Total cash and cash equivalents at the end of the year (closing balance)	7.71	8.20
Components of cash and cash equivalents:		
Cash balance on hand	0.15	0.05
Balances with scheduled banks:		
In current accounts	3.30	3.96
In unclaimed dividend accounts	4.26	4.19
Total	7.71	8.20

As per our report of even date attached
For Awatar & Co.
 Chartered Accountants
 Firm Regn. No. 000726N

Sanjay Agrawal
 Partner
 Membership No. 087786

Place: New Delhi
 Date: May 26 , 2017

for and on behalf of the Board of Directors

Mukesh Gupta
 Director
 DIN :06937352

Shweta Saxena
 Company Secretary
 Membership No. A18585

Ashish Verma
 Director
 DIN :06939565

Viveka Nand Jha
 Chief Financial Officer
 PAN - AEXPJ2176H

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The Financial Statements of the Company have been prepared under the historical cost convention on accrual basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014, the existing Accounting Standards as notified in the Companies (Accounting Standards) Rules, 2006, as amended, have been adopted by the Company and disclosures are made in accordance with the requirement of Schedule III of the Companies Act, 2013 as referred under section 129(1) of the Companies Act, 2013. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 Use of estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Although these estimates are based on the Management's best knowledge of the current events and actions the Company may undertake in the future, actual results could differ significantly from these estimates.

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.

Dividend income from companies and Mutual Fund units is recognized as and when the Company becomes entitled to it i.e. after the declaration of dividend by the Investee Company. Interest income is recognized on accrual basis taking into account, the amount invested and the rate of interest applicable. Interest on tax refund is accounted for on receipt basis.

1.4 Investments

Investments held by the Company with an intention to hold the same on long term basis have been classified as long term investments. The long term investments are valued at cost of acquisition, as reduced by provision for diminution in their respective values. Provision for diminution in value of investments is made only if, in the opinion of the management, such decline is other than temporary and is provided for each investment individually.

The current maturities portion of long term investments is shown as current investments. Current Investments, which are intended to be held for not more than one year, are carried at cost or market/ quoted value whichever is less.

On disposal of an investment, the difference between the carrying amount determined on average cost basis and the disposal proceeds, net of expenses, is recognized in the Statement of Profit and Loss.

1.5 Cash and cash equivalents (for purposes of cash flow statement)

Cash and cash equivalents for the purpose of cash flow Statement comprise cash at bank, cash on hand, stamps in hands and demand deposits with bank with an original maturity of three months or less from the date of acquisition.

1.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

1.7 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes all incidental expenses incurred to bring assets to their present location.

Depreciation on fixed assets has been provided for on written down value as per rates arrived based on useful life and manner prescribed under Schedule II of the Companies Act, 2013.

1.8 Tax expense and provision for taxation

Tax expense comprises current tax, earlier year tax and deferred tax. The provision for taxation is made annually on the basis of the assessable profits determined under the Income Tax Act, 1961 after considering the applicable tax allowances and exemptions.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.9 Provision and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability, if any, is made by way of a note, when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

1.10 Employee benefits

Employee benefits have been recognized in the following ways:-

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia and short term compensated absences etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plan

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 Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss

Leave encashment

The employees can carry-forward a portion of the unutilized accrued leaves and utilize it in future service periods or receive cash compensation on termination of employment. Since the accumulated leaves do not fall due wholly within twelve 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 twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such accumulated leaves 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.

The Company recognises all actuarial gains and losses arising immediately in the Statement of Profit and Loss.

1.11 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are same.

1.12 Impairment of assets

All assets other than inventories are reviewed for impairment; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the 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.

1.13 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

2 OTHER DISCLOSURES TO FINANCIAL STATEMENTS

2.1 Earnings per share

Particulars	As at March 31, 2017	As at March 31, 2016
Net profit / (loss) attributable to equity shareholders (in lakhs) (A)	330.39	955.93
Weighted average number of equity shares outstanding during the year (B)	32,00,000	32,00,000
Nominal value per equity share (in ₹)	10.00	10.00
Basic & diluted earnings per share (in ₹) (A) / (B)	10.32	29.87

2.2 Contingent liabilities and commitments (to the extent not provided for):-

Contingent liabilities and commitments not provided for ₹ Nil (Previous year ₹ Nil).

2.3 MAT credit entitlement

The Company has accounted for and utilized MAT credit entitlement for ₹ 4.78 lakhs which is to the extent of MAT credit allowable for adjustment during the year against normal tax provision .The Company has not recognized MAT credit entitlement in full , as there is no virtual certainty of sufficient future taxable income against which such MAT credit entitlement can be adjusted.

2.4 Fixed assets and depreciation

Depreciation on fixed assets is provided on written down value method as per rates arrived based on useful life and manner prescribed under Schedule II of the Companies Act, 2013.

2.5 Employee benefits:

As per Accounting Standard -15 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below:

During the year, the Company has recognised the following amount in the statement of profit and loss:

a) Defined contribution plan :

Employer’s contribution to PF ₹ 1.03 lakh /- (P.Y. ₹ 0.94 lakh)

b) The assumptions used to determine the defined benefit obligations are as follows:

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Discounting rate	6.75% p.a.	8.00% p.a.	6.75% p.a.	8.00% p.a.
Future salary increase	8.00% p.a.	10.00% p.a.	8.00% p.a.	10.00% p.a.
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Expected rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
Expected average remaining working lives of employees	20.92 Years	21.92 Years	20.92 Years	21.92 Years

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation seniority, promotion and other relevant factors on long term basis

c) Reconciliation of opening and closing balances of defined benefit obligations:

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Present value of obligation as at the beginning of year	3.87	3.16	3.46	2.55
Past service cost	-	-	-	-
Current service cost	0.51	0.53	0.43	0.48
Interest cost	0.31	0.25	0.28	0.20
Benefits paid	-	-	-	-
Actuarial (gain)/loss	(0.51)	(0.07)	(0.62)	0.23
Present value of obligation as at the end of year	4.18	3.87	3.55	3.46

d) Movement in the liability recognised in the Balance Sheet:

(Amount in lakhs.)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Carrying amount at the beginning of the year	3.87	3.16	3.46	2.55
Additional provisions made during the year	0.31	0.71	0.09	0.91
Amount used during the year	-	-	-	-
Carrying amount at the end of the year	4.18	3.87	3.55	3.46

e) Expenses recognised in the Statement of Profit and Loss:

(Amount in lakhs.)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Current service cost	0.51	0.53	0.43	0.48
Past service cost	-	-	-	-
Interest cost	0.31	0.25	0.28	0.20
Expected return on plan assets	-	-	-	-
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(0.51)	(0.07)	(0.62)	0.23
Expenses recognized in the Statement of Profit & Loss	0.31	0.71	0.09	0.91

f) Reconciliation statement of expenses in the Statement of Profit and Loss:

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Present value of obligation as at the end of period	4.18	3.87	3.55	3.46
Present value of obligation as at the beginning of the period	3.87	3.16	3.46	2.55
Benefits paid	-	-	-	-
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Expenses recognized in the Statement of Profit & Loss	0.31	0.71	0.09	0.91

g) Bifurcation of PBO at the end of the year : -

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Current liability	0.07	0.06	0.06	0.05
Non current liability	4.11	3.81	3.49	3.41
Total PBO at the end of the year	4.18	3.87	3.55	3.46

2.6 Segment reporting

There are no separate reportable segments as per Accounting Standard - 17 “Segment Reporting “ (Previous year also there was Nil Segment)

2.7 Related party disclosures

In accordance with the requirements of Accounting Standard (AS)-18 “Related Party Disclosures”, the names of the related parties, and the related parties with whom the Company had transactions, along with the aggregate transactions and amount outstanding at the year end as identified by the management are given below:

a) List of related parties and relationships

Name of the Company/ Person	Relationship
Mr. Govind Swarup	Director
Mr. Mukesh Gupta	Director
Mr. Mohit Jain	Director
Mr. Ashish Verma	Director
Mrs. Saumya Agarwal	Director
M/s Punjab Properties Ltd.	Subsidiary Company
M/s Punjab Mercantile & Traders Ltd.	Subsidiary Company
M/s Jacaranda Corporate Services Ltd.	Subsidiary Company
Mrs. Shweta Saxena	KMP (Company Secretary)
Mrs. Vijaya Agarwal	KMP (Manager)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

b) Details of related party transactions during the year in the ordinary course of the business:

(Amount in lakhs)

Name of the Party	Nature of Transaction	Amount for the year ended		Amount Outstanding as on	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Mr. Govind Swarup	Director's sitting fees	3.20	3.00	-	-
Mr. Mukesh Gupta	Director's sitting fees	2.20	2.20	-	-
Mr. Ashish Verma	Director's sitting fees	1.60	1.80	-	-
Mrs. Saumya Agarwal	Director's sitting fees	1.00	-		
Mr. Viveka Nand Jha	Salary	10.29	9.01		
Mrs. Shweta Saxena	Salary	15.15	13.71	-	-
Mrs. Vijaya Agarwal	Salary	0.12	0.12	-	-

2.8 Income from interest, dividend and gains on redemption of investments is shown as 'Other Income' as the Company has only parked its surplus funds in certain investments. It may be clarified that, while the Company is classified as a NBFC by virtue of the RBI guidelines on NBFCs, it does not carry on any investment or financing activity as a business operation and also it does not hold or/and accept Public Deposits.

2.9 Details of Specified Bank Notes (SBN) held and transacted during the period from '8th November, 2016 to 30th December, 2016 :

(Amount in ₹)

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	4,885	4,885
(+) Permitted receipts #	-	40,000	40,000
(-) Permitted payments	-	6,950	6,950
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	33,050	33,050

Cash withdrawn from bank amounting to ₹ 40,000/- has been considered in permitted receipts.

2.10 The Company has a system of obtaining the confirmations from its suppliers / service providers to identify Micro Enterprises or Small Enterprises under the "The Micro, Small and Medium Enterprises Development Act, 2006". Based on the information so far available with the Company, there are no outstanding dues to such enterprises.

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

<u>Particulars</u>	<u>Amount (₹)</u>
Earning	Nil (Previous Year – Nil)
Outgo	Nil (Previous Year – Nil)

2.12 Previous year's figures have been regrouped and / or rearranged, wherever necessary.

2.13 Figures have been rounded off to the nearest rupees in lakh.

3. SHARE CAPITAL

Particulars	As at 31.3.2017 (₹in lakhs)	As at 31.3.2016 (₹in lakhs)
Share capital		
Equity share capital		
Authorised share capital		
50,00,000 equity shares of ₹ 10/- each	<u>500.00</u>	<u>500.00</u>
	<u>500.00</u>	<u>500.00</u>
Issued share capital		
32,00,000 shares of ₹ 10/- each	<u>320.00</u>	<u>320.00</u>
	<u>320.00</u>	<u>320.00</u>
Issued, subscribed & fully paid share capital		
Issued, subscribed & fully paid share capital		
a) 8,01,288.5 shares of ₹ 10/- each fully paid up. (On reduction of share capital through High Court order dated 15.11.1973)	80.13	80.13
b) 23,98,711.5 shares of ₹ 10/- each fully paid up. (Including 131 equity shares of ₹ 10 each in the form of fractional coupons)	<u>239.87</u>	<u>239.87</u>
Total	<u>320.00</u>	<u>320.00</u>

- A.** There is no change in the share capital during the year and in the period of five years immediately preceding the Balance Sheet date i.e. 31st March, 2017.
- B.** The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- C.** The Board of Directors has proposed a Dividend of ₹ 0.60 per equity share of the Company for the year ended 31st March, 2017 (31st March, 2016 : ₹ 0.60 per equity share). The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- D.** 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 .

E. Details of shareholders holding more than 5 % shares in the Company

Name of shareholder	As at 31.3.2017 (₹in lakhs)	As at 31.3.2016 (₹in lakhs)
Artee Viniyoga Limited	8,01,710	8,01,710
Ashoka Viniyoga Limited	6,51,660	6,51,660
Camac Commercial Company Limited	5,20,000	5,20,000
Mr. Samir Jain	5,18,827	5,18,827
Mrs. Meera Jain	1,96,000	1,96,000
Combine Holding Limited	1,61,437	1,61,437

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2017 (₹ in lakhs)	As at 31.3.2016 (₹ in lakhs)
4 RESERVE & SURPLUS		
I. General reserve		
As per last balance sheet	1,395.16	1,375.16
Add:- additions during the year	20.00	20.00
	1415.16	1395.16
II. Special reserve U/s 45 -1 C of RBI Act,1934		
As per last balance sheet	1,444.05	1,257.49
Add:- additions during the year	66.08	186.56
	1510.13	1444.05
III. Share premium account	103.91	103.91
IV. Surplus		
As per last balance sheet	4,128.89	3,402.63
Add:- profit after tax for the year	330.39	955.93
Less:- transfer to general reserve	20.00	20.00
Less:- transfer to special reserve	66.08	186.56
Less:- transfer to proposed dividend account	-	19.20
Less:- transfer to dividend distribution tax	-	3.91
Net surplus	4373.20	4128.89
Total (I+II+III+IV)	7402.40	7072.01
5 LONG TERM PROVISIONS		
Provision for employee benefits		
for leave encashment	3.49	3.41
for gratuity	4.11	3.81
Total	7.60	7.22
6 OTHER CURRENT LIABILITIES		
Expenses payable	1.30	1.37
TDS payable	-	0.35
Unpaid dividend	4.26	4.20
Total	5.56	5.92
7 SHORT TERM PROVISIONS		
Dividend distribution tax payable	-	3.91
Proposed dividend	-	19.20
for leave encashment	0.06	0.05
for gratuity	0.07	0.06
Total	0.13	23.22

8. TANGIBLE FIXED ASSETS AS ON 31ST MARCH,2017

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 1.04.2016 (₹ in lakhs)	Additions during the year (₹ in lakhs)	Deductions during the year (₹ in lakhs)	As on 31.03.2017 (₹ in lakhs)	Upto 31.03.2016 (₹ in lakhs)	For the year (₹ in lakhs)	Upto 31.03.2017 (₹ in lakhs)	As on 31.03.2017 (₹ in lakhs)	As on 31.03.2016 (₹ in lakhs)
Computer	3.77	-	-	3.77	3.04	0.43	3.47	0.30	0.73
Total	3.77	-	-	3.77	3.04	0.43	3.47	0.30	0.73
Previous Year	3.77	-	-	3.77	1.86	1.18	3.04	0.73	1.91

PNB FINANCE AND INDUSTRIES LIMITED

9. NON CURRENT INVESTMENT

No of Shares/ Units** 31.03.2017	No of Shares/ Units** 31.03.2016	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2017 (₹ in lakhs)	*Value as at 31.03.2016 (₹ in lakhs)
		(Long Term - Other than trade - at cost, unless stated otherwise)			
		(A) Unquoted Equity Shares			
50000	50000	Punjab Properties Ltd. (wholly owned Subsidiary)	10	5.00	5.00
50,000	50,000	Punjab Mercantile & Traders Ltd. (wholly owned Subsidiary)	10	5.00	5.00
2,00,000	2,00,000	Jacaranda Corporate Services Ltd.(wholly owned subsidiary)	10	20.00	20.00
26,665,848	26,665,848	Bennett,Coleman & Co Ltd. (Includes bonus shares-26663976)	10	0.15	0.15
23,500	30,000	Excel Publishing House Ltd.	10	4.76	6.08
19,800	25,000	Pearl Print Well Ltd.***	10	4.01	5.06
249,860	249,860	Artee Viniyoga Ltd.	10	25.13	25.13
472,812	472,812	Times Internet Ltd.##	10	-	-
4,444,308	4,444,308	Bennett Property Holdings Company Limited #	10	-	-
		Total		64.05	66.42
		Less: Provision for Diminution in Value of Investments***		4.01	5.06
		Total (A)		60.04	61.36
		(B) Quoted Equity Shares			
29,400	29,400	Susmit Trading Ltd.***	10	0.74	0.74
50,000	50,000	Jantej Commercial Enterprises Ltd.***	10	1.81	1.81
100,000	100,000	Sagar Investments Ltd.***	10	2.50	2.50
100	100	The Pioneer Ltd.***	10	0.02	0.02
35,000	35,000	Camac Commercial Co. Ltd.	10	3.50	3.50
55,000	55,000	Ashoka Viniyoga Ltd.	10	5.50	5.50
1,219,140	1,219,140	HDFC Bank Ltd.	2	140.90	140.90
		Less: Provision for Diminution in Value of Investments***		5.07	5.07
		Total (B)		149.90	149.90
		(C) Debentures - Unquoted			
6,000	6,000	Parshva Properties Ltd.	100	3.23	3.23
		Total (C)		3.23	3.23
		(D) Mutual Funds - Unquoted			
515,435	752,686	HDFC Floating Rate Income Fund - Short Term - Direct Plan - Growth	10	121.52	177.45
771,925	771,925	HDFC Corporate Debt Oppurtunities Fund -Direct Plan - Growth	10	80.00	80.00
12,397,610	12,397,610	ICICI Prudential Long Term Plan -Direct Plan - Growth	10	2,076.30	2,076.30
1,874,971	-	- IDFC Corporate Bond Fund -Direct Plan -Growth	10	204.00	-
3,565,209	3,565,209	Kotak Bond Scheme Plan A - Direct Plan - Growth	10	1,436.28	1,436.28
1,577,602	1,577,602	UTI Dynamic Bond Fund -Direct Plan-Growth	10	250.96	250.96

PNB FINANCE AND INDUSTRIES LIMITED

No of Shares/ Units** 31.03.2017	No of Shares/ Units** 31.03.2016	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2017 (₹ in lakhs)	*Value as at 31.03.2016 (₹ in lakhs)
2,619,094	2,619,094	UTI Income Opportunities Fund -Direct-Growth	10	350.00	350.00
11,345	-	UTI Liquid Cash Plan -Institutional -Direct Plan -Growth	1,000	285.00	-
168,219	168,219	Birla Sun Life Cash Plus -Direct Plan -Growth	100	399.00	399.00
375,188	375,188	Birla Sun Life Short Term Fund -Direct Plan -Growth	10	178.50	178.50
2,505,868	2,505,868	Birla Sun Life Short Term Opportunities Fund - Direct-Growth	10	600.00	600.00
616,359	616,359	Birla Sun Life Dynamic Bond Fund -Direct-Growth	10	160.00	160.00
4,429,068	4,429,068	Reliance Regular Savings Fund - Debt Plan- Direct Plan - Growth	10	877.00	877.00
17,078	-	Reliance Liquid Fund -Cash Plan -Direct -Growth	1,000	424.00	-
		Total (D)		7,442.56	6,585.49
		GRAND TOTAL {(A)+(B)+(C)+(D)}		7,655.73	6,799.98
		Aggregate Market Value of Quoted Investments ****		17946.18	13575.69 Lakhs
		Aggregate Value of Unquoted Investments(A+C+D)		7,505.83	6,650.08

* Investments are stated at cost.

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.

**Units are rounded off to the nearest Unit.

**** As at 31st March,2017, wherever the Quoted Equity Shares have not been traded/No latest quotation is available, then Net Asset Value based on last audited Financials Statements have been considered.

Particulars	As at 31.3.2017 (₹ in lakhs)	As at 31.3.2016 (₹ in lakhs)
10 DEFERRED TAX ASSETS (NET)		
Assets on account of		
Carried forward losses under the Income tax Act	43.27	42.18
Accrued expenses allowable on payment basis	2.55	2.42
	<u>45.82</u>	<u>44.60</u>
Liabilities on account of		
Difference in depreciation	(0.06)	(0.08)
	<u>(0.06)</u>	<u>(0.08)</u>
Net deferred tax assets	<u>45.88</u>	44.68
Reconciliation of deferred tax assets (net)		
Opening balance of deferred tax assets	44.68	28.16
Less:- closing balance of deferred tax assets	45.88	44.68
Net deferred tax asset / (-) liability created during the year	<u>1.20</u>	<u>16.52</u>
11 LONG TERM LOANS AND ADVANCES		
<u>Unsecured, Considered Good</u>		
Advance income tax / TDS (net of tax provisions)	25.80	24.77
Total	<u>25.80</u>	<u>24.77</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2017 (₹ in lakhs)	As at 31.3.2016 (₹ in lakhs)
12 CURRENT INVESTMENTS		
<u>Current maturities of long term investments -</u>		
<u>Valued at cost</u>		
Quoted		
Mutual funds		
Reliance Fixed Horizon Fund - XXIV -Series 3 -Growth (face value of Rs. 10/- each, No. of Units 2,10,000)	-	21.00
Reliance Fixed Horizon Fund - XXV -Series 23 -Growth (face value of Rs. 10/- each, No. of Units 35,00,000)	-	350.00
Total quoted current investments	<u>-</u>	<u>371.00</u>
Aggregate of quoted current investments:		
Book value	-	371.00
Market value	-	454.31
(NAV of quoted mutual funds considered as market value in absence of market rate)		
13 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	0.15	0.05
Bank balances		
Balances with HDFC Bank Ltd., New Delhi (current account)	3.30	3.96
Unpaid dividend		
Unpaid dividend account with HDFC Bank Ltd. New Delhi	4.26	4.19
Total	<u>7.71</u>	<u>8.20</u>
14 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Prepaid expenses	0.06	0.25
Advance against expenses	-	0.01
Total	<u>0.06</u>	<u>0.26</u>
15 OTHER CURRENT ASSETS		
Unsecured loan (considered doubtful)	18.39	18.39
Less : provision for doubtful debts	<u>18.39</u>	<u>18.39</u>
	-	-
Dividend receivable	-	178.75
Interest accrued	<u>0.21</u>	-
Total	<u>0.21</u>	<u>178.75</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.3.2017 (₹ in lakhs)	For the year ended 31.3.2016 (₹ in lakhs)
16 OTHER INCOME		
Dividend income from non current investment	303.32	436.27
Interest on corporate deposits	-	32.12
Interest on debentures	0.48	0.48
Profit on sale of non current investments	103.88	654.35
Misc. income	0.44	0.27
Total	408.12	1123.49
17 EMPLOYEE BENEFIT EXPENSES		
Salaries	25.25	22.13
Contribution to provident fund	1.16	1.07
Staff welfare expenses	0.72	0.70
Gratuity	0.31	0.71
Leave encashment	0.09	0.91
Total	27.53	25.52
18 OTHER EXPENSES		
Director's sitting Fee	8.00	7.00
Legal and professional charges	12.00	2.36
Filing fees	0.10	0.13
Printing & stationery	1.82	1.57
Miscellaneous expenditure	0.11	0.06
Postage & telephone charges	0.99	1.51
Conveyance expenses	4.06	3.85
Advertisement expenses	0.33	0.52
News papers & periodical	0.01	0.07
AGM expenses	0.79	0.72
Listing fees	0.29	0.28
Depository fees	0.21	0.21
Digitisation expenses	-	0.07
Service tax paid	2.65	1.08
Donation paid	-	0.10
Auditor's remuneration :-		
Audit fees (inclusive of service tax)	0.69	0.69
For certification & out of pocket expenses	0.10	0.14
CSR contributions for 2014-15	1.42	-
CSR contributions for 2015-16	12.26	-
Total	45.83	20.36

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

Place: New Delhi

Date: May 26, 2017

for and on behalf of the Board of Directors

Mukesh Gupta

Director

DIN :06937352

Shweta Saxena

Company Secretary

Membership No. A18585

Ashish Verma

Director

DIN :06939565

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

*Schedule to the Balance Sheet of a Non-Systemically Important Non-Banking Financial
(Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.*

	Particulars	Amount outstanding (₹ in lakhs)	Amount overdue (₹ in lakhs)
	Liabilities Side :		
1	Loans and advances availed by the NBFCs 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
	Assets side :	Amount outstanding	
2	Break-up of loans and advances including bills receivables (other than those included in (4) below):		
	a) Secured	NIL	
	b) Unsecured (including advance tax net of provisions)	25.80	
3	Break of leased assets and stock on hire and other assets counting towards AFC 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:		
	(a) Assets on hire	NIL	
	(b) Repossessed assets	NIL	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets repossessed	NIL	
	(b) Loans other than (a) above	NIL	
4	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	149.90		
	(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	60.04		
	(b) Preference	NIL		
	(ii) Debentures and bonds	3.23		
	(iii) Units of mutual funds	7442.56		
	(iv) Government securities	NIL		
	(v) Others (please specify)	NIL		
5	Borrower group-wise classification of assets financed as in (2) and (3) 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	25.80	25.80
	Total	NIL	25.80	25.80
6	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	2,910.95		30.00
	(b) Companies in the same group	-		-
	(c) Other related parties	NIL		NIL
	2. Other than related parties	121,708.22		7,625.73
	Total	124,619.17		7,655.73
	*As per Accounting standard of ICAI			
7.	Other Information			
	Particulars	Amount		
	I Gross non-performing assets	NIL		
	(a) Related Parties	NIL		
	(b) Other than related parties	18.39		
	II Net Non-performing assets	NIL		
	(a) Related Parties	NIL		
	(b) Other than related parties	NIL		
	III Assets acquired in satisfaction of debt	NIL		

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF PNB FINANCE AND INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

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 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 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 consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

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 of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, incorporated in India, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 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 of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2017 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 Group and the operating effectiveness of such controls, refer to our separate report in **Annexure-B**, and
- (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 Auditor's) Rules, 2014, 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 material foreseeable losses 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 Holding Company and its subsidiary companies, incorporated in India.

For **AWATAR & CO.**
Chartered Accountants
Firm Registration No. 000726N

Sanjay Agrawal
Partner

Membership No. : 087786

Place : New Delhi
Date : May 26, 2017

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 and Industries Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India as of March 31, 2017 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 Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 my /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 Holding Company and its subsidiary companies, which are companies incorporated in India, 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, 2016, 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 **AWATAR & CO.**
Chartered Accountants
Firm Registration No. 000726N

Place : New Delhi
Date : May 26, 2017

Sanjay Agrawal
Partner
Membership No. : 087786

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	As at 31.03.2017 (₹ in lakhs)	As at 31.03.2016 (₹ in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	320.00	320.00
Reserves and surplus	4	10,283.34	9,791.56
Non current liabilities			
Long term provisions	5	24.75	14.33
Current liabilities			
Other current liabilities	6	5.82	6.18
Short term provisions	7	0.13	23.22
Total		<u>10,634.04</u>	<u>10,155.29</u>
ASSETS			
Non- current assets			
Tangible fixed assets	8	0.31	0.75
Non-current investments	9	10,528.33	9,007.79
Deferred tax assets(net)	10	45.88	44.68
Long term loans & advances	11	30.85	29.67
Current assets			
Current investments	12	-	863.00
Cash and bank balances	13	28.25	16.91
Short-term loans and advances	14	0.06	0.26
Other current assets	15	0.36	192.23
Total		<u>10,634.04</u>	<u>10,155.29</u>
Significant accounting policies & notes to financial statements	1 to 18		-

The accompanying notes 1 to 18 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

Mukesh Gupta

Director

DIN :06937352

Ashish Verma

Director

DIN :06939565

Place: New Delhi

Date: May 26 , 2017

Shweta Saxena

Company Secretary

Membership No. A18585

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

PARTICULARS	Note No.	For the year ended 31.03.2017 (₹ in lakhs)	For the year ended 31.03.2016 (₹ in lakhs)
REVENUE			
Other income	16	688.05	1,864.11
Total		688.05	1,864.11
EXPENSES			
Employee benefits expenses	17	29.09	27.02
Other expenses	18	55.75	21.20
Depreciation	8	0.43	1.18
Total		85.27	49.40
Profit before exceptional items and tax		602.78	1,814.71
Exceptional item - Provision made / (written back) for diminution in value of investments		(1.05)	5.06
Profit / (-)loss before tax		603.83	1,809.65
Tax expense			
Current tax		49.79	246.65
Earlier year tax provision (net)		-	3.39
MAT credit entitlement		(17.39)	-
Deferred tax liability/(asset)		(1.20)	(16.52)
Profit after tax before share in profit /(loss) of associates		572.63	1,576.13
Add:- share in net profit /(loss) of associates (net)		-	3.07
Net profit for the year		572.63	1,579.20
Earnings per equity share			
Equity shares of par value ₹10/- each			
Basic (in ₹)		17.89	49.35
Diluted (in ₹)		17.89	49.35
Significant accounting policies & notes to financial statements	1 to 18		

The accompanying notes 1 to 18 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

Mukesh Gupta

Director

DIN :06937352

Ashish Verma

Director

DIN :06939565

Place: New Delhi

Date: May 26, 2017

Shweta Saxena

Company Secretary

Membership No. A18585

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	For the year ended 31.03.2017 (₹ in lakhs)	For the year ended 31.03.2016 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(-) Loss before tax	603.83	1,809.65
Adjustment for :-		
Depreciation on tangible fixed assets	0.43	1.18
Dividend	(459.15)	(603.39)
(Profit) /Loss on sale of non current investments(net)	(224.83)	(1,194.48)
Interest on corporate deposits	-	(60.84)
Interest on debentures (non current investment)	(0.48)	(0.48)
Provision made / (written back) for diminution in value of investments	(1.05)	5.06
Provision for gratuity	0.30	0.71
Provision for leave encashment	0.08	0.91
Operating Profit/(-) Loss before working capital changes	(80.87)	(41.68)
Adjustments for changes in working capital:		
(-)Increase/Decrease in short term loans and advances	0.20	0.09
(-)Increase/Decrease in other current assets	178.52	(146.59)
Increase/(-) Decrease in short term provisions	0.02	0.01
Increase/(-) Decrease in other current liabilities	(0.36)	(0.95)
Increase/(-) Decrease in long term provisions	10.05	3.03
Cash generated from /(-) used in operations	107.56	(186.09)
Income taxes paid (net of refunds)	(33.57)	(249.41)
Net Cash from/ (-)used in Operating Activities..... A	73.99	(435.50)
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale /redemption of non current investments	1,173.50	4,228.75
Proceeds from maturity of corporate deposits	-	679.50
Purchase of investments	(1,686.00)	(5,101.52)
Interest received on non current & current investments	0.48	61.32
Dividend income on non current investments	472.48	590.07
Net Cash from/(-) used in Investing Activities..... B	(39.54)	458.12

PNB FINANCE AND INDUSTRIES LIMITED

C CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid	(19.20)	(19.20)
Dividend distribution tax	(3.91)	(3.91)
Net Cash from/(-)used in Financing Activities..... C	(23.11)	(23.11)
Net increase/(-) decrease in cash and cash equivalents (A+B+C)	11.34	(0.49)
Cash and cash equivalents at the beginning of the year (opening balance)	16.91	17.41
Total cash and cash equivalents at the end of the year (closing balance)	28.25	16.91
Components of cash and cash equivalents:		
Cash balance on hand	0.25	0.08
Balances with Scheduled Banks : -		
In current accounts	7.22	6.11
In unclaimed dividend accounts	4.26	4.19
In fixed deposits (against liabilities)	16.52	6.53
Total	28.25	16.91

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

Place: New Delhi

Date: May 26 , 2017

for and on behalf of the Board of Directors

Mukesh Gupta

Director

DIN :06937352

Shweta Saxena

Company Secretary

Membership No. A18585

Ashish Verma

Director

DIN :06939565

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE- 1: SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

1.1 Basis for preparation of consolidated financial statements

The Consolidated Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the , Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Account) Rules, 2014 and the relevant provisions of the Companies Act, 2013 .

1.2 Principles of consolidation

The Consolidated Financial Statements consist of PNB Finance And Industries Limited (‘the Company’) and it’s wholly owned subsidiaries and its associate companies. The consolidated financial statements have been prepared on the following basis:

- i) The Consolidated Financial Statements of the Company and it’s Subsidiary companies have been combined on line by line basis by adding together the book values of like items of assets ,liabilities ,income and expenses after eliminating intra - group balances and intra -group transactions resulting in unrealised profits and losses.
- ii) Investment in associates where the Company directly or indirectly through subsidiary holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”.
- iii) The Company accounts for its share in net assets of the associates, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of Standalone Profit and Loss/Consolidated Profit and Loss to the extent such change is attributable to the associates profit or loss through its reserves for the balance, based on available information.
- iv) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified and disclosed in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- v) The financial statements of the Company, it’s wholly owned subsidiaries and its associates used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2017.
- vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared in the same manner as the Company’s separate financial statements.

The list of Subsidiaries and associates which are included in the consolidation and the Company’s holdings therein are as under:

S. No.	Name of the Company	Ownership in % either directly or through subsidiary	
		2016-17	2015-16
	<u>Subsidiary Company (Indian)</u>		
1	Punjab Mercantile And Traders Limited	100%	100%
2	Punjab Properties Limited	100%	100%
3	Jacaranda Corporate Services Limited	100%	100%
	<u>Associate Company (Indian)</u>		
1	Excel Publishing House Ltd*	19.58%	25.00%
2	Pearl Print Well Ltd.*	19.80%	25.00%

*Ceased to be associate as on 31st March,2017 as the shareholding reduced to prescribed limit

- 1.3** Investments other than in subsidiaries and associates have been accounted for as per Accounting Standard (AS) 13 on “Accounting for Investments”.

1.4 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

1.5 Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

1.6 Revenue recognition

Revenue 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 and wherever there are uncertainties in the ascertainment/realization of income the same is not accounted for.

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest on tax refund is accounted for on receipt basis.

1.7 Fixed assets

Tangible Fixed Assets are 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.

Subsequent expenditure related to an item of fixed assets is added to book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing fixed assets including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

1.8 Depreciation

Depreciation on fixed assets has been provided for 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 fixed assets during the year, Depreciation on those fixed assets has 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.

1.9 Investments

Investments held by the Company with an intention to hold the same on long term basis have been classified as long term investments. The long-term investments are valued at their cost of acquisition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

Current investments, which are intended to be held for not more than one year, are carried at cost or market/quoted value whichever is less. The current maturities portion of long term investments is shown as Current Investments. The comparison of cost and fair value is done separately in respect of each category of investment.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

When disposing of a part of the holding of an individual investment, carrying amount to be allocated to that part is determined on the basis of the average carrying amount of the total holding of the investment.

1.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

1.11 Cash and cash equivalents (for purposes of cash flow statement)

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise Cash at bank, Cash on hand and demand deposits with bank with an original maturity of three months or less from the date of acquisition.

1.12 Employee benefits

Employee benefits have been recognized in the following ways :

Short term employee benefits

Employee benefits payable within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plan

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 to Provident Fund are administered and managed by a recognized Provident Fund Trust under Multi Employer Plans. Contributions by the Company to the Provident Fund are expensed in the Statement of Profit and Loss, when the contributions are due.

Defined benefit plan

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss.

Other long term employee benefits

Leave encashment

The employees can carry-forward a portion of the unutilised accrued leaves and utilise it in future service periods or receive cash compensation on termination of employment. Since the leaves do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit except for the current obligations as per the Actuarial valuation. The Company records an obligation for such leaves 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.

Actuarial gains/losses, if any, are immediately recognized in the Statement of Profit and Loss .

1.13 Earnings per share

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

Diluted earnings per share is calculated by dividing the net profit /loss for the year attributable to equity shareholders by the weighted average No. of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.14 Taxes on income

Tax expense comprises of current tax and deferred tax.

Taxes on income for the current year (current tax) are determined on the basis of taxable income after considering applicable tax allowances and exemptions in accordance with the provisions of Income Tax Act, 1961, as amended from time to time.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws which give rise to future economic benefits in the form of adjustments of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred tax is recognized, subject to considerations of prudence, on timing difference, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent years.

1.15 Impairment of assets

All assets are reviewed for impairment; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the 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.

1.16 Provisions & contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence, or non-occurrence, of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A disclosure for a contingent liability, if any, is made by way of a Note.

NOTE 2. OTHER DISCLOSURES TO CONSOLIDATED FINANCIAL STATEMENTS

2.1 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" and Accounting Standard (AS)-23 "Accounting for Investments in the Associate in Consolidated Financial Statements"

2.2 Earnings per share

Particulars	As at March 31, 2017	As at March 31, 2016
Net Profit / (loss) attributable to equity shareholders (in lakh) (A)	572.63	1579.20
Weighted average number of equity shares outstanding during the year (B)	32,00,000	32,00,000
Nominal value per equity share (in ₹)	10.00	10.00
Basic & diluted earnings per share (in ₹) (A) / (B)	17.89	49.35

2.3 Contingent liabilities and commitments (to the extent not provided for):

Contingent liabilities and commitments not provided for ₹ Nil (Previous year ₹ Nil).

2.4 MAT credit entitlement

The Company has accounted for and utilized MAT credit entitlement for ₹ 17.39 Lakh/- which is to the extent of MAT credit allowable for adjustment during the year against normal tax provision. The Company has not recognized MAT Credit Entitlement in full, as there is no virtual certainty of sufficient future taxable income against which such MAT credit entitlement can be adjusted.

2.5 Fixed assets and depreciation

Depreciation on fixed assets is provided on written down value method as per rates arrived based on useful life and manner prescribed under Schedule II of the Companies Act, 2013.

2.6 Employee benefits:

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

During the year, the Company has recognised the following amount in the Statement of Profit and Loss:

a) Defined Contribution Plan :

Employer's Contribution to PF ₹ 1.03 Lakh /- (P.Y. ₹ 0.94 Lakh)

b) The assumptions used to determine the defined benefit obligations are as follows:

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Discounting rate	6.75% p.a.	8.00% p.a.	6.75% p.a.	8.00% p.a.
Future salary increase	8.00% p.a.	10.00% p.a.	8.00% p.a.	10.00% p.a.
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Expected rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
Expected average remaining working lives of employees	20.92 Years	21.92 Years	20.92 Years	21.92 Years

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation seniority, promotion and other relevant factors on long term basis

c) Reconciliation of opening and closing balances of defined benefit obligations:

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Present value of obligation as at the beginning of year	3.87	3.16	3.46	2.55
Past service cost	-	-	-	-
Current service cost	0.51	0.53	0.43	0.48
Interest cost	0.31	0.25	0.28	0.20
Benefits paid	-	-	-	-
Actuarial (gain)/loss	(0.51)	(0.07)	(0.62)	0.23
Present value of obligation as at the end of year	4.18	3.87	3.55	3.46

d) Movement in the liability recognised in the Balance Sheet:

(Amount in lakhs.)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Carrying amount at the beginning of the year	3.87	3.16	3.46	2.55
Additional provisions made during the year	0.31	0.71	0.09	0.91
Amount used during the year	-	-	-	-
Carrying amount at the end of the year	4.18	3.87	3.55	3.46

e) Expenses recognised in the Statement of Profit & Loss:

(Amount in lakhs.)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Current service cost	0.51	0.53	0.43	0.48
Past service cost	-	-	-	-
Interest cost	0.31	0.25	0.28	0.20
Expected return on plan assets	-	-	-	-
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(0.51)	(0.07)	(0.62)	0.23
Expenses recognized in the Statement of Profit & Loss	0.31	0.71	0.09	0.91

f) Reconciliation statement of expenses in the Statement of Profit and Loss:

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Present value of obligation as at the end of period	4.18	3.87	3.55	3.46
Present value of obligation as at the beginning of the period	3.87	3.16	3.46	2.55
Benefits paid	-	-	-	-
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Expenses recognized in the Statement of Profit & Loss	0.31	0.71	0.09	0.91

g) Bifurcation of PBO at the end of the year : -

(Amount in lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.17	31.03.16	31.03.17	31.03.16
Current liability	0.07	0.06	0.06	0.05
Non current liability	4.11	3.81	3.49	3.41
Total PBO at the end of the year	4.18	3.87	3.55	3.46

2.7 Segment reporting

There are no separate reportable segments as per Accounting Standard - 17 “Segment Reporting “ (Previous year also there was Nil Segment)

2.8 Related party disclosures

In accordance with the requirements of Accounting Standard (AS)-18 “Related Party Disclosures”, the names of the related parties, and the related parties with whom the Company had transactions, along with the aggregate transactions and amount outstanding at the year end as identified by the management are given below:

a) List of Related Parties and Relationships

Name of the Company/ Person	Relationship
Mr. Govind Swarup	Director
Mr. Mukesh Gupta	Director
Mr. Mohit Jain	Director
Mr. Ashish Verma	Director
Mrs. Saumya Agarwal	Director
M/s Punjab Properties Ltd.	Subsidiary Company
M/s Punjab Mercantile & Traders Ltd.	Subsidiary Company
M/s Jacaranda Corporate Services Ltd.	Subsidiary Company
Mrs. Shweta Saxena	KMP (Company Secretary)
Mrs. Vijaya Agarwal	KMP (Manager)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

b) Details of Related Party Transactions during the year in the ordinary course of the business:

(Amount in lakhs)

Name of the Party	Nature of Transaction	Amount for the year ended		Amount Outstanding as on	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Mr. Govind Swarup	Director’s sitting fees	3.20	3.00	-	-
Mr. Mukesh Gupta	Director’s sitting fees	2.20	2.20	-	-
Mr. Ashish Verma	Director’s sitting fees	1.60	1.80	-	-
Mrs. Saumya Agarwal	Director’s sitting fees	1.00	-		
Mr. Viveka Nand Jha	Salary	10.29	9.01		
Mrs. Shweta Saxena	Salary	15.15	13.71	-	-
Mrs. Vijaya Agarwal	Salary	0.12	0.12	-	-

2.9 Income from interest, dividend and gains on redemption of investments is shown as ‘Other Income’ as the Company has only parked its surplus funds in certain investments. It may be clarified that, while the Company is classified as a NBFC by virtue of the RBI guidelines on NBFCs, it does not carry on any investment or financing activity as a business operation and also it does not hold or/and accept Public Deposits.

2.10 The Company has a system of obtaining the confirmations from its suppliers / service providers to identify Micro Enterprises or Small Enterprises under the “The Micro, Small and Medium Enterprises Development Act, 2006”. Based on the information so far available with the Company, there are no outstanding dues to such enterprises.

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

<u>Particulars</u>	<u>Amount (Rs.)</u>
Earning	Nil (Previous Year – Nil)
Outgo	Nil (Previous Year – Nil)

2.12 Previous year’s figures have been regrouped and / or rearranged, wherever necessary.

2.13 Figures have been rounded off to the nearest rupees in Lakh.

PNB FINANCE AND INDUSTRIES LIMITED

2.14 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries/Associates: -

Name of the entity in the Consolidated Financial Statements	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (in lakhs)	As % of consolidated profit or loss#	Amount (in lakhs)
1	2	3	4	5
Parent				
PNB Finance And Industries Limited	72.62%	7,722.40	57.70%	330.39
Subsidiary Company (Indian)				
Punjab Mercantile and Traders Limited	0.86%	91.69	(1.16%)	(6.62)
Punjab Properties Limited	0.43%	45.58	0.18%	1.00
Jacaranda Corporate Services Limited	26.09%	2,753.67	43.28%	247.86
Minority Interests in all subsidiaries	-	-	-	-
TOTAL	100.00%	10,603.34	100.00%	572.63

Profit after tax is considered

3. SHARE CAPITAL

	As at 31.3.2017 (₹in lakhs)	As at 31.3.2016 (₹in lakhs)
Share capital		
Equity share capital		
Authorised Share capital		
50,00,000 equity shares of ₹ 10/-each	<u>500.00</u>	<u>500.00</u>
	<u>500.00</u>	<u>500.00</u>
Issued share capital		
32,00,000 shares of ₹ 10 each	<u>320.00</u>	<u>320.00</u>
	<u>320.00</u>	<u>320.00</u>
Issued, subscribed & fully paid share capital		
a) 8,01,288.5 shares of ₹ 10 each fully paid up. (On reduction of share capital through High Court order dated 15.11.1973)	<u>80.13</u>	<u>80.13</u>
b) 23,98,711.5 shares of ₹ 10 each fully paid up. (including 131 equity shares of ₹ 10 each in the form of fractional coupons)	<u>239.87</u>	<u>239.87</u>
Total	<u>320.00</u>	<u>320.00</u>

- A.** There is no change in the share capital during the year and in the period of five years immediately preceding the Balance Sheet date i.e. 31st March, 2017.
- B.** The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- C.** The Board of Directors has proposed a Dividend of Rs.0.60 per equity share of the Company for the year ended 31st March, 2017 (31st March, 2016 : ₹ 0.60 per Equity Share). The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- D.** 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.

E. Details of Shareholders holding more than 5 % shares in the Company

Name of Shareholder	As at 31.3.2017 (₹in lakhs)	As at 31.3.2016 (₹in lakhs)
Artee Viniyoga Limited	8,01,710	8,01,710
Ashoka Viniyoga Limited	6,51,660	6,51,660
Camac Commercial Company Limited	5,20,000	5,20,000
Mr. Samir Jain	5,18,827	5,18,827
Mrs. Meera Jain	1,96,000	1,96,000
Combine Holding Limited	1,61,437	1,61,437

PNB FINANCE AND INDUSTRIES LIMITED

	As at 31.3.2017 (₹ in lakhs)	As at 31.3.2016 (₹ in lakhs)
4 RESERVE & SURPLUS		
I. General reserve		
As per last balance sheet	2,525.71	2,013.38
Add:- additions during the year	69.77	144.04
Add:- special reserve transferred during the year	-	368.29
	<u>2,595.48</u>	<u>2,525.71</u>
II. Special reserve U/s 45 -1 C of RBI Act,1934		
As per last balance sheet	1,451.00	1,631.17
Add:- additions during the year	66.28	188.12
Less:- transferred to general reserve during the year	-	368.29
	<u>1,517.28</u>	<u>1,451.00</u>
III. Share premium account	103.91	103.91
IV. Surplus (Debit balance of profit & loss account)		
As per last balance sheet	5,710.93	4,487.00
Less:- adjustment of post aquisition share in profits/(losses) of associates (net) upto 31.03.2016 .*	80.84	-
Add:- profit after tax	572.63	1,579.20
Less:- transfer to general reserve	69.77	144.04
Less:- transfer to special reserve	66.28	188.12
Less:- transfer to proposed dividend account	-	19.20
Less:- transfer to dividend distribution tax	-	3.91
Net surplus in the statement of profit and loss	<u>6,066.67</u>	<u>5,710.93</u>
Total	<u>10,283.34</u>	<u>9,791.56</u>
*the Company has no associates as on 31st March,2017 as during the financial year 2016-17 the Company has sold some of its investment in Excel Publishing House Limited and Pearl Print Well Limited .		
5 LONG TERM PROVISIONS		
Provision for employee benefits		
for leave encashment	3.49	3.41
for gratuity	4.11	3.81
Other provisions		
Provision for security deposit payable	17.15	7.11
Total	<u>24.75</u>	<u>14.33</u>
6 OTHER CURRENT LIABILITIES		
Expenses payable	1.56	1.63
TDS payable	-	0.35
Unpaid dividend	4.26	4.20
Total	<u>5.82</u>	<u>6.18</u>
7 SHORT TERM PROVISIONS		
Dividend distribution tax payable	-	3.91
Proposed dividend	-	19.20
for leave encashment	0.06	0.05
for gratuity	0.07	0.06
Total	<u>0.13</u>	<u>23.22</u>

PNB FINANCE AND INDUSTRIES LIMITED

8. CONSOLIDATED TANGIBLE FIXED ASSETS AS ON 31ST MARCH, 2017

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 1.04.2016	Additions during the year	Deductions during the year	As on 31.03.2017	Upto 31.03.2016	For the year	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Computer	4.04	-	-	4.04	3.30	0.43	3.73	0.31	0.75
Total	4.04	-	-	4.04	3.30	0.43	3.73	0.31	0.75
Previous Year	4.04	-	-	4.04	2.11	1.19	3.30	0.75	1.92

9. CONSOLIDATED NON CURRENT INVESTMENTS AS ON 31ST MARCH, 2017

No of Shares/ Units** 31.03.2017	No of Shares/ Units** 31.03.2016	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2017 (₹ in lakhs)	*Value as at 31.03.2016 (₹ in lakhs)
(A) Unquoted Equity Shares (Long Term)					
52,297,848	52,297,848	Bennett, Coleman & Co Ltd.	10	26.98	26.98
23,500	30,000	Excel Publishing House Ltd.	10	4.76	6.08
		Add: Share in Post Aquisition Profits		-	49.82
19,800	25,000	Pearl Printwell Ltd.***	10	4.01	5.06
		Add: Share in Post Aquisition Profits		-	31.01
249,860	249,860	Artee Viniyoga Ltd.	10	25.13	25.13
2,500	2,500	Sahu Jain Services Ltd.	10	0.25	0.25
24,000	24,000	Times Publishing House Ltd.	10	2.42	2.42
927,292	927,292	Times Internet Ltd.#	10	-	-
8,716,308	8,716,308	Bennett Property Holdings Company Limited ##	10	-	-
		Total		63.55	146.76
		Less: Provision for Diminution in Value of Investments***		4.01	5.06
		(A)		<u>59.54</u>	<u>141.70</u>
(B) Quoted Equity Shares (Long Term)					
29,400	29,400	Susmit Trading Ltd.***	10	0.74	0.74
50,000	50,000	Jantej Commercial Enterprises Ltd.***	10	1.81	1.81
100,000	100,000	Sagar Investments Ltd.***	10	2.50	2.50
100	100	The Pioneer Ltd.***	10	0.02	0.02
100,975	100,975	Camac Commercial Co. Ltd.	10	8.43	8.43
4,900	4,900	Sahu Jain Ltd.	10	0.45	0.45
92,000	92,000	Combine Holdings Ltd.	10	6.11	6.11
59,100	59,100	Ashoka Viniyoga Ltd.	10	5.91	5.91
1,219,140	1,219,140	HDFC Bank Ltd.	2	140.90	140.90
		Total		166.87	166.87
		Less: Provision for Diminution in Value of Investments***		5.07	5.07
		(B)		<u>161.80</u>	<u>161.80</u>
(C) Debentures - Unquoted (Long Term)					
6,000	6,000	Parshva Properties Ltd.	100	3.23	3.23
		(C)		<u>3.23</u>	<u>3.23</u>

PNB FINANCE AND INDUSTRIES LIMITED

No of Shares/ Units** 31.03.2017	No of Shares/ Units** 31.03.2016	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2017 (₹ in lakhs)	*Value as at 31.03.2016 (₹ in lakhs)
		(D) Mutual Funds - Unquoted (Long Term)		-	-
1,108,633	1,421,451	HDFC Floating rate fund-Short Term - Direct Plan -Growth	10	261.36	335.13
4,062,796	4,062,796	HDFC Corporate Debt Opportunities Fund - Direct Plan -Growth	10	467.20	467.20
5,322,214	5,322,214	UTI Dynamic Bond Fund -Direct Plan - Growth	10	702.09	702.09
4,721,852	4,721,852	UTI Income Oppurtunities Fund -Direct Plan -Growth	10	631.00	631.00
11,484	-	UTI Liquid Cash Plan -Institutional -Direct Plan -Growth	1000	288.46	-
3,565,209	3,565,209	Kotak Bond Scheme Plan A-Direct Plan-Growth	10	1,436.28	1,436.28
12,397,610	12,397,610	ICICI Prudential Long Term Plan-Direct Plan-Growth	10	2,076.30	2,076.30
300,381	300,381	Birla Sun Life Cash Plus -Direct Plan - Growth	100	719.00	719.00
375,188	375,188	Birla Sun Life Short Term Fund -Direct Plan - Growth	10	178.50	178.50
2,505,868	2,505,868	Birla Sun Life Short Term Oppurtunities Fund -Direct Plan - Growth	10	600.00	600.00
616,359	616,359	Birla Sun Life Dynamic Bond Fund -Direct Plan-Growth	10	160.00	160.00
6,226,776	6,226,776	Reliance Regular Saving Fund -Debt Plan -Direct Plan - Growth	10	1,239.57	1,239.57
779,734	779,734	Reliance Dynamic Bond Fund -Direct Plan - Growth	10	156.00	156.00
41,325	-	Reliance Liquid Fund -Cash Plan -Direct -Growth	1000	1,026.00	-
3,326,714	-	IDFC Corporate Bond Fund -Direct-Growth	10	362.00	-
		(D)		<u>10,303.76</u>	<u>8,701.07</u>
		{{(A)+(B)+(C)+(D)}		10,528.33	9,007.79
		Aggregate Market Value of Quoted Investments ****		18,398.24 lakh	14,041.29 lakh
		Aggregate Value of Unquoted Investments(A+C+D)		10,366.53	8,846.00

* Investments are stated at cost.

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 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.

** Units are rounded off to the nearest unit.

**** As at 31st March, 2017, wherever the Quoted Equity Shares have not been traded/no latest quotation is available, then net asset value based on last audited financials statements have been considered.

PNB FINANCE AND INDUSTRIES LIMITED

	As at 31.3.2017 (₹ in lakhs)	As at 31.3.2016 (₹ in lakhs)
10 DEFERRED TAX ASSETS (NET)		
Assets on account of		
Carried forward losses under the Income Tax Act	43.27	42.18
Accrued expenses allowable on payment basis	2.55	2.42
	<u>45.82</u>	<u>44.60</u>
Liabilities on account of		
Difference in depreciation	(0.06)	(0.08)
	<u>(0.06)</u>	<u>(0.08)</u>
Net deferred tax assets	<u>45.88</u>	<u>44.68</u>
11 LONG TERM LOANS AND ADVANCES		
Advance income tax / TDS (net of tax provisions)	30.85	29.67
Total	<u>30.85</u>	<u>29.67</u>
12 CURRENT INVESTMENTS		
<u>Current maturities of long term investments -</u>		
<u>Valued at cost</u>		
Quoted		
Reliance Fixed Horizon Fund-XXIV-Series 3-Direct Plan -Growth (face value of Rs. 10/- each, No. of Units 2,10,000)	-	21.00
Reliance Fixed Horizon Fund-XXV-Series 23-Growth (face value of Rs. 10/- each, No. of Units 84,20,000)	-	842.00
Total quoted current investments	<u>-</u>	<u>863.00</u>
Aggregate of quoted current investments:		
Book value	-	863.00
Market value	-	1055.40
13 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	0.25	0.08
Bank balances		
Balances with HDFC Bank Ltd., New Delhi (current account)	7.22	6.11
Total	<u>7.47</u>	<u>6.19</u>
Other bank balances		
Fixed deposit with banks	16.52	6.53
Unpaid dividend		
Unpaid dividend account with HDFC Bank Ltd. New Delhi	4.26	4.19
Total	<u>28.25</u>	<u>16.91</u>

PNB FINANCE AND INDUSTRIES LIMITED

	As at 31.3.2017 (₹ in lakhs)	As at 31.3.2016 (₹ in lakhs)
14 SHORT TERM LOANS AND ADVANCES		
Prepaid expenses	0.06	0.25
Advance against expenses	-	0.01
Total	0.06	0.26
15 OTHER CURRENT ASSETS		
Unsecured loan (considered doubtful)	18.39	18.39
Less : provision for doubtful debts	18.39	18.39
	-	-
Accrued interest	0.21	-
Leasehold land at cost	0.15	0.15
Security deposit (DESU)	-	-
Dividend receivable on non current investments	-	192.08
Total	0.36	192.23
	For the year ended 31.3.2017 (₹ in lakhs)	For the year ended 31.3.2016 (₹ in lakhs)
16 OTHER INCOME		
Dividend income on non current investment	459.15	603.39
Interest on corporate deposits	-	60.84
Interest on debentures	0.48	0.48
Profit on sale of non current investments	224.84	1,194.48
Misc. income	2.62	1.36
Incentive on investments	0.96	3.56
Total	688.05	1,864.11
17 EMPLOYEE BENEFIT EXPENSES		
Salaries	26.81	23.63
Contribution to provident fund	1.16	1.07
Staff welfare expenses	0.72	0.70
Gratuity	0.31	0.71
Leave encashment	0.09	0.91
Total	29.09	27.02

PNB FINANCE AND INDUSTRIES LIMITED

	For the year ended 31.3.2017 (₹ in lakhs)	For the year ended 31.3.2016 (₹ in lakhs)
18 OTHER EXPENSES		
Director meeting fee	8.00	7.00
Legal and professional charges	21.49	2.79
Filing fees	0.16	0.22
Printing & stationery	1.82	1.57
Miscellaneous expenditure	0.15	0.07
Postage & telephone charges	0.99	1.51
Conveyance expenses	4.06	3.85
Advertisement expenses	0.33	0.52
News papers & perodical	0.01	0.07
AGM expenses	0.79	0.72
Listing fees	0.29	0.28
Depository fees	0.21	0.21
Digitisation expenses	-	0.08
Service tax paid	2.65	1.08
Donation paid	-	0.10
Payment to Auditor's		
Audit fees (inclusive of service tax)	0.95	0.94
For other services (inclusive of service tax)	0.16	0.18
CSR contributions for 2014-15	1.43	-
CSR contributions for 2015-16	12.26	-
Total	55.75	21.20

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

Place: New Delhi

Date: May 26, 2017

for and on behalf of the Board of Directors

Mukesh Gupta

Director

DIN :06937352

Shweta Saxena

Company Secretary

Membership No. A18585

Ashish Verma

Director

DIN :06939565

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

CIN:L65929DL1947PLC001240

REGISTERED OFFICE :

10, Daryaganj, New Delhi - 110 002

ATTENDANCE SLIP

122nd Annual General Meeting

2016 - 2017

I certify that I am a registered member/proxy for the registered member of the Company.

I hereby record my presence at the 122nd Annual General Meeting of the Company held on Tuesday, the 26th day of September, 2017 at 10.00 A.M. at Conference Hall, First Floor, 10, Daryaganj, New Delhi - 110 002.

MEMBER'S NAME (IN BLOCK LETTERS)
PROXY'S NAME (IN BLOCK LETTERS)
MEMBER'S / PROXY'S SIGNATURE

Notes :

1. Please fill in and sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.
 2. Only members and proxies registered with the Company will be allowed to attend the meeting.
 3. The Company reserves the right to ask for identification of the proxy.
- * Applicable for members holding shares in dematerialised form.



PROXY FORM



[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PNB FINANCE AND INDUSTRIES LIMITED

CIN:L65929DL1947PLC001240

REGISTERED OFFICE: 10, DARYAGANJ, NEW DELHI- 110002

e-mail: pnbfinanceindustries@gmail.com

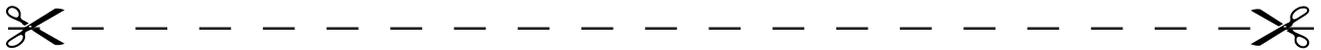
website: www.pnbfinanceandindustries.com

122nd Annual General Meeting- September 26, 2017

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:....., or failing him
2. Name:
Address:
E-mail Id:
Signature:....., or failing him



3. Name:
Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 122nd Annual General Meeting of the Company, to be held on the 26 day of September, 2017 at 10.00 a.m. at Conference Hall, First Floor, 10, Daryaganj, New Delhi - 110 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.
Ordinary business

1. Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year March 31, 2017
2. Approval of dividend for the financial year ended March 31, 2017
3. Ratification of appointment of M/s Awatar & Co. Chartered Accountants as auditors of the Company.

Signed this..... day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix Rupee 1/- Revenue Stamp
--

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

