

124th

ANNUAL REPORT

2018-2019

**PNB FINANCE AND
INDUSTRIES LIMITED**

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BOARD OF DIRECTORS

ASHISH VERMA	<i>DIRECTOR</i>
GOVIND SWARUP	<i>DIRECTOR</i>
MOHIT JAIN	<i>DIRECTOR</i>
RAKESH DHAMANI	<i>DIRECTOR</i>
SAUMYA AGARWAL	<i>DIRECTOR</i>

COMPANY SECRETARY

SHWETA SAXENA

CHIEF FINANCIAL OFFICER

VIVEKA NAND JHA

MANAGER

VIJAY KUMAR BAKSHI

AUDITORS

AWATAR & CO.
Chartered Accountants
New Delhi

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

NOTICE

NOTICE is hereby given that the 124th Annual General Meeting of the members of PNB Finance and Industries Limited (the 'Company') will be held on Tuesday, September 17, 2019 at 10:30 A.M. at Institute of Engineer Bhawan, 2nd Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002 to transact the following business:

Ordinary business:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors ('the Board') and auditors thereon.
2. To declare a final dividend of ₹ 0.60 per equity share for the financial year ended March 31, 2019.

Special business:

3. To re-appoint Mr. Mohit Jain (DIN: 01315482) as Non-Executive Independent Director for a second term and in this regard to consider and if thought fit, to pass the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Mr. Mohit Jain (DIN: 01315482), who was appointed as an Independent Director and who holds office upto May 28, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. upto May 28, 2024.”

4. To re-appoint Mr. Ashish Verma (DIN: 06939565) as Non-Executive Independent Director for a second term and in this regard to consider and if thought fit, to pass the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualification

of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Mr. Ashish Verma (DIN: 06939565), who was appointed as an Independent Director and who holds office upto August 01, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. upto August 1, 2024.”

NOTES:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”) with respect to item no. 3 and 4 forms part of the notice. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and secretarial standard on general meetings in respect of director seeking re-appointment at the annual general meeting (AGM) is furnished as annexure to this notice.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 10, 2019 to Tuesday, September 17, 2019 (both days inclusive) for the purpose of payment of final dividend and the AGM. The cut-off date for determining the members who are entitled to vote through remote e-voting or voting at the meeting is September 09, 2019.
3. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on poll instead of himself and the 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 carrying voting rights. The holder of proxy shall prove his identity at the time of attending the AGM. The proxy form, duly completed and signed, should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the AGM.
4. 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.

5. 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.
6. Attendance slip, proxy form and the route map of the venue of the meeting are annexed to this notice.
7. Members/proxies/authorised representatives attending the AGM should bring along with them necessary details of their shareholding, duly-filled attendance slip(s) and copies of Annual Report, as the same will not be distributed at the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts and Arrangements in which directors are interested will be available for inspection by the members at the AGM.
9. Dividend recommended by the Board of Directors, if declared at the AGM, will be payable to those members whose names appear in the Register of Members on the record date fixed for the purpose i.e. September 09, 2019 in respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.
10. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of bank account details to their respective depository participant(s). We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
11. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent- Skyline Financial Services (P) Ltd.
12. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant. Members holding shares in physical form are required to submit their PAN details to Registrar and Share Transfer Agent.
13. Pursuant to the provisions of Section 124 of the Act, and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has been unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF authority. In terms of above provisions, such amount of unclaimed dividend and shares become due for transfer to the IEPF on October 26, 2019. Details of shares transferred and due to be transferred to IEPF authority are available on the website of the Company. Therefore, all the shareholders are requested to claim the unpaid dividend amount from the Company, if any.
14. Members may note that shares as well as unclaimed dividend transferred to IEPF authority can be claimed back. Concerned members are advised to visit the weblink: <http://www.iepf.gov.in/> and/or Company's website: www.pnbfinanceandindustries.com for the procedure to claim back.
15. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of transmission or transposition of securities. In view of this and to avail benefits of dematerialisation and to eliminate risks associated with physical shares, members are advised to dematerialise shares held by them in physical form.
16. In terms of Section 72 of the Act, the shareholders can exercise their right to nominate any person in whom the securities held by such shareholder shall vest in the event of the death of such shareholder. Members who have not yet registered their nomination are requested to submit the required form (Form no. SH13) to their DP in case shares are held in demat form and to RTA in case shares are held in physical form.
17. The Company is providing 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 polling paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their rights. Members who have cast their votes by remote e-voting may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting is sent along with the notice.
18. Copies of the Annual Report 2019, Notice of 124th AGM and instruction for e-voting, along with the attendance slip and proxy form are being sent by electronic mode only to those 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. The said documents are also available on the Company's website: www.pnbfinanceandindustries.com.

Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts relating to the special business mentioned in the notice:

Item no. 3 and 4

Mr. Mohit Jain (DIN: 01315482) and Mr. Ashish Verma (DIN: 06939565) were appointed as Independent Directors of the Company and they hold office as Independent Directors of the Company upto May 28, 2019 and August 01, 2019 respectively ('first term' in line with explanation to Section 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Mohit Jain and Mr. Ashish Verma as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company i.e. upto May 28, 2024 and August 01, 2024 respectively.

The Board of Directors based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Mohit Jain and Mr. Ashish Verma would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board of Directors recommends to the shareholders re-appointment of Mr. Mohit Jain and Mr. Ashish Verma as Independent Directors of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Mohit Jain and Mr. Ashish Verma are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and have given their consent to act as a Directors.

The Company has also received declarations from Mr. Mohit Jain and Mr. Ashish Verma that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations.

In terms of Section 160 of the Act, the Company has received a notice in writing from a member of the Company proposing the candidature of Mr. Mohit Jain and Mr. Ashish Verma to be re-appointed as Independent Director.

In the opinion of the Board, Mr. Mohit Jain and Mr. Ashish Verma fulfils the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and are independent of the management.

Copies of draft letter of appointment of Mr. Mohit Jain and Mr. Ashish Verma as setting out terms and conditions are available for inspection by members at the registered office of the Company. Mr. Mohit Jain and Mr. Ashish Verma are interested in the resolution set out at item no. 3 and 4 respectively of the notice with regard to their re-appointment.

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

The Board recommends the special resolution set out at item no. 3 and 4 of the notice for approval by the members.

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

Shweta Saxena
Company Secretary
Membership No.: A18585

Place : New Delhi
Date : May 28, 2019

Registered Office:

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

PNB FINANCE AND INDUSTRIES LIMITED

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

Name of director	Mr. Mohit Jain (DIN: 01315482)	Mr. Ashish Verma (DIN: 06939565)
Date of birth	September 22, 1966 (Age: 52 years)	November 15, 1981 (Age: 37 years)
Date of first appointment on Board	October 09, 2007	August 02, 2014
Qualification	Chemical Engineer and MBA (Marketing)	LLB
Expertise in specific functional area	More than 28 years of rich experience in the field of marketing & management	Lawyer having more than 14 years of experience in handling various kinds of litigation and corporate matters. He has handled matters at all levels from the Supreme Court of India to district level jurisdictions.
Directorship on other Boards as on May 28, 2019	1. Ashoka Viniyoga Limited 2. Punjab Mercantile and Traders Ltd. 3. Times Digital Ltd. 4. Times Council for Social Justice 5. Jacaranda Corporate Services Ltd. 6. The Indian Newspaper Society	Combine Holding Limited
Membership(s)/chairmanship(s) of committees of other companies as on May 28, 2019	Member of Audit, Nomination and Remuneration and Stakeholders Relationship Committee of Ashoka Viniyoga Limited	Member of Audit and Nomination and Remuneration Committee of Combine Holding Limited
Relationship with other directors/ manager/KMP's	None	None
Number of shares held in the Company as on May 28, 2019	Nil	Nil
Number of board meetings attended during the year	5	5
Terms and conditions of re-appointment	As per the resolution at item no. 3 of the notice convening this meeting read with explanatory statement thereto	As per the resolution at item no. 4 of the notice convening read with explanatory statement thereto
Remuneration last drawn	NIL	As per his entitlement to sittings fees
Remuneration proposed to be paid	NIL, Mr. Mohit Jain has waived off his entitlement to sitting fees	Sitting fees as disclosed in report of corporate governance forming part of Annual report

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

Shweta Saxena
Company Secretary
Membership No.: A18585

Place : New Delhi
Date : May 28, 2019

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

BOARD'S REPORT

Dear Members,

Your directors feel immense pleasure in presenting the 124th Annual Report of PNB Finance and Industries Limited (“the Company”) together with financial statements (standalone and consolidated) and auditors’ report thereon for the financial year ended March 31, 2019.

Financial performance

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

(₹ in Lakhs)

Particulars	Standalone results		Consolidated results	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Total income	1,212.88	1,294.96	1,842.22	1,538.55
Total expenditure	58.76	63.17	61.54	67.81
Exceptional items-interest realized on loan	149.05	-	149.05	-
Profit/(loss) before tax	1,303.17	1,231.79	1,929.73	1,470.74
Less: Current tax	203.11	226.46	300.43	249.99
MAT credit entitlement used	-	(44.36)	-	(51.22)
Deferred tax charge/(credit)	28.48	15.46	28.48	15.46
Profit/(loss) after tax	1,071.58	1,034.23	1,600.82	1,256.51

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

The consolidated profit after tax for the financial year 2018-19 is ₹ 1,600.82 lakh, out of which ₹ 529.24 lakh relates to its subsidiary companies, amounting to 33.06% of the consolidated profit after tax.

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

- Independent director reappointment: Mr. Mohit Jain and Mr. Ashish Verma have been re-appointed as non-executive independent director of the Company for a second term of 5 consecutive years effective May 29, 2019 and August 02, 2019 respectively, subject to the approval of the members of the Company in the ensuing Annual General Meeting.

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, 2019, subject to the approval of members.

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 (“Act”) and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has been unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF authority. Accordingly, the Company has transferred the unclaimed dividend of ₹ 66,101 and 710 shares to IEPF. The details are also available on the Company’s website at www.pnbfinanceandindustries.com

Reserves

The Board proposes to carry a sum of ₹ 20 lakh to general reserves of the Company and ₹ 209.69 lakh to special reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Public deposits

During the year under review, the Company has not accepted any public deposits and your Board of Directors have also passed the necessary resolution for non-acceptance of any public deposits during the financial year 2019-20.

Directors and key managerial personnel

Change in directors and key managerial personnel

Mr. Mukesh Gupta ceased to be the director of the Company w.e.f April 16, 2018 due to his other pre-occupations. The Board placed on record its deep appreciation for the valuable contribution made by him during his tenure as member of Board of the Company.

Mr. Mohit Jain was appointed as an independent director w.e.f. May 29, 2014 at the 119th Annual General Meeting (AGM) for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the members by way of special resolution.

Mr. Ashish Verma was appointed as an independent director w.e.f August 02, 2014 at the 120th Annual General Meeting (AGM) for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the members by way of special resolution.

The shareholders of the Company at their Annual General Meeting held on September 27, 2018 has approved appointment of Mr. Rakesh Dhamani as an independent director of the Company, for a term of 5 (five) consecutive years w.e.f. April 16, 2018.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Performance evaluation of the Board, its committees and directors

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

Declaration by independent director(s)

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

Number of meetings of the Board of directors

During the year under review, seven (7) meetings of the Board and one independent director’s meeting were duly convened and held. The gap between any two meetings of the Board of directors did not exceed 120 days.

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

Familiarization program for independent directors

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

Committees of the Board

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

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

Subsidiaries

As on March 31, 2019, the Company has two wholly-owned subsidiaries, Punjab Mercantile and Traders limited and Jacaranda Corporate Services Limited. Jacaranda Corporate Services Limited is material unlisted subsidiary as per Regulation 16(c) of Listing Regulations.

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

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

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

Management discussion and analysis report

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

Risk assessment & minimization policy

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

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

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

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

Extract of annual return

Pursuant to the provisions of Section 134(3)(a) and 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company in Form MGT-9 as at March 31, 2019 is annexed as **Annexure-II** and is available on Company's website: www.pnbfinanceandindustries.com

Auditors

a) Statutory auditors

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

In terms of Companies (Amendment) Act, 2017 notified w.e.f May 7, 2018, the requirement of Section 139(1) of the Act stands omitted and the ratification of appointment of the statutory auditor at every AGM is not required.

The Company has received certificate of eligibility from M/s Awatar & Co. in accordance with the provisions of the Act read with rules made thereunder and a confirmation that they continue to hold valid peer review certificate as required under Listing Regulations.

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

b) Secretarial auditors

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

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

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

c) Internal auditors

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

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

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

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

Internal control system and their adequacy

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company.

Corporate social responsibility (CSR)

The provisions pertaining to corporate social responsibility as prescribed under the Act are applicable to the Company. Accordingly, the Company is required to spend an amount of ₹ 12.10 lakh on CSR activities for the financial year ending March 31, 2019. The CSR policy may be accessed on the Company’s website: www.pnbfinanceandindustries.com.

Total CSR obligation of the Company of the financial year 2016-17 and 2017-18 was ₹ 34.29 lakhs.

The Company has contributed ₹ 34.29 lakhs towards CSR obligation of financial year 2016-17 & 2017-18 and ₹ 2.18 lakhs towards CSR obligation of the financial year 2018-19 to Times Foundation in the month of June, 2019.

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

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

Further, the Company has contributed ₹ 9.92 lakhs to Bennett University towards remaining CSR obligation of financial year 2018-19 in the month of June, 2019.

The Bennett University has been established at Greater Noida under the Uttar Pradesh Act. The Bennett University provides quality professional education to students and aims to create a learning atmosphere conducive to both research and practical & entrepreneurial applications and the same has covered under the list of activities allowed as CSR activity in Schedule VII of the Act.

CSR report is annexed as **Annexure-IV**.

Corporate governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

The report on corporate governance as stipulated under Schedule V of Listing Regulations, forms part of this Board report. The requisite certificate from M/s Sakshi Mittal & Associates, Company Secretaries confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Schedule V, is attached to this Board report as **Annexure- V**.

Particulars of employees

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

No remuneration has been paid to the directors during the financial year 2018-19. Further, sitting fees paid to the directors during the year has been mentioned in the corporate governance report. Number of permanent employees in the Company are 2.

None of the employees draws remuneration in excess of the limits set out in the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015. The percentage increase in the median remuneration of employees in the financial year 2018-19 is 12.62%.

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

Name of the top 10 employees in terms of remuneration drawn during the financial year 2018-19

S. no.	Name of the employee & age (in years)	Designation and nature of employment	Remuneration received in financial year 2018-19 (₹ in lakh)	Educational qualifications	Experience (in years)	Date of commencement of employment	Previous employment	% increase in remuneration in the financial year 2018-19
1.	Shweta Saxena Age: 38	Designation: Company Secretary Nature: Permanent	18.32	B.Com(H), ACS, LLB, PGDBA (Finance)	14	July 28, 2008	Uniproducts India Limited	7.00
2.	Viveka Nand Jha Age: 40	Designation: CFO Nature: Permanent	13.10	B.Com(H), LLB, PGDBA (Finance)	16	July 27, 2009	Jubilant Industries Limited	9.40
3.	Vijay Kumar Bakshi	Designation: Manager Nature: Contract	0.12	N.A.	N.A.	N.A.	N.A.	N.A.

Vigil / whistle blower mechanism

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

Related party transactions

There were no contracts or arrangements entered by the Company in accordance with provisions of Section 188 of the Act and Regulation 23 of the Listing Regulations. However in terms of AS 18 of Indian accounting standards, 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 is available on Company's website: www.pnbfinanceandindustries.com

Cost records

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

Regulatory orders

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

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

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

Directors' responsibility statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your directors make the following statements in terms of Section 134(3)(c) of the Act that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2018-19 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory statement

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

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

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

Green initiative

Electronic copies of Annual Report 2019, Notice of 124th Annual General Meeting and instructions slip and proxy form will be 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 will be sent by the permitted mode.

Pursuant to Section 108 of the Act read with rule 20 of Companies (Management and Administration) Rules, 2015, as amended, 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. The instruction of e-voting is sent along with the notice.

Acknowledgement

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

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

Govind Swarup
Director
DIN: 00003145

Rakesh Dhamani
Director
DIN: 07065199

Place: New Delhi
Date: August 07, 2019

PNB FINANCE AND INDUSTRIES LIMITED

Annexure I

Form AOC - 1

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

Statement containing salient features of the financial statement of subsidiaries

Part "A" Subsidiaries

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

S. no.	Particulars		
1	Name of subsidiary	Jacaranda Corporate Services Limited	Punjab Mercantile and Traders Limited
2	Reporting period of the subsidiary	From April 01, 2018 to March 31, 2019	From April 01, 2018 to March 31, 2019
3	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.
4	Share capital	20.00	5.00
5	Reserves and surplus	3492.59	99.30
6	Total assets	3515.02	104.46
7	Total liabilities	2.43	0.16
8	Investments	3510.83	102.31
9	Turnover/Total income#	609.48	19.86
10	Profit (+) /loss (-) before taxation	608.21	18.35
11	Provision for taxation	93.61	3.71
12	Profit (+) /loss (-) after taxation	514.60	14.64
13	Proposed dividend	Nil	Nil
14	% of shareholding	100%	100%
	# In absence of turnover, total income comprises other income only is being furnished.		
15	Name of subsidiary which have been liquidated or sold during the year	NIL	

As per our report of even date attached

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

for and on behalf of the Board of Directors

Sanjay Agrawal
Partner
Membership No. 087786

Govind Swarup
Director
DIN :00003145

Rakesh Dhamani
Director
DIN :07065199

Place: New Delhi
Date: May 28, 2019

Shweta Saxena
Company Secretary
Membership No. A18585

Viveka Nand Jha
Chief Financial Officer
PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

Annexure II

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2019

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

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise share holding

Category of shareholders	No. of shares held at the beginning of the year (as on April 01, 2018)				No. of shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A PROMOTERS	No promoters in the Company				No promoters in the Company				
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies corporate	-	-	-	-	-	-	-	-	-

PNB FINANCE AND INDUSTRIES LIMITED

Category of shareholders	No. of shares held at the beginning of the year (as on April 01, 2018)				No. of shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter	-	-	-	-	-	-	-	-	-
B PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	0	50,451	50,451	1.58	0	50,451	50,451	1.58	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	0	50,451	50,451	1.58	0	50,451	50,451	1.58	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	21,68,466	20,301	21,88,767	68.40	21,67,376	20,146	21,87,522	68.36	(0.04)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) holding nominal share capital upto ₹ 1 lakh	94,850	17,961	1,12,811	3.53	97,871	15,395	1,13,266	3.54	0.01
ii) holding nominal share capital in excess of ₹ 1 lakh	7,92,431	0	7,92,431	24.76	7,92,431	0	7,92,431	24.76	-
c) Others-									
1. Non Resident Indians	21,157	260	21,417	0.67	21,662	100	21,762	0.68	0.01
2. Trust	-	-	-	-	-	-	-	-	-
3. HUF	6,978	0	6,978	0.22	6,713	0	6,713	0.21	(0.01)
4. Others (IEPF)	27,145	0	27,145	0.85	27,855	0	27,855	0.87	0.02
Sub-Total (B) (2)	31,11,027	38,522	31,49,549	98.42	31,13,908	35,641	31,49,549	98.42	-
Total public shareholding (B)= (B) (1) + (B) (2)	31,11,027	88,973	32,00,000	100	31,13,908	86,092	32,00,000	100	-
C Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	31,11,027	88,973	32,00,000	100	31,13,908	86,092	32,00,000	100	-

- ii) **Shareholding of promoter: Not applicable**
- iii) **Change in promoters' shareholding (please specify, if there is no change): Not applicable**
- iv) **Shareholding pattern of top ten shareholders:**

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

S. no.	Name of the shareholder	Shareholding at the beginning of the year (As on April 1, 2018)		Shareholding at the end of the year (As on March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Artee Viniyoga Limited	8,01,710	25.05	8,01,710	25.05
2	Ashoka Viniyoga Limited	6,51,660	20.37	6,51,660	20.37
3	Camac Commercial Company Limited	5,20,000	16.25	5,20,000	16.25
4	Samir Jain	5,18,827	16.21	5,18,827	16.21
5	Meera Jain	1,96,000	6.13	1,96,000	6.13
6	Combine Holding Limited	1,61,437	5.05	1,61,437	5.05
7	Indu Jain	77,604	2.43	77,604	2.43
8	Shri Parasram Holdings Pvt. Limited	21,909	0.68	21,909	0.68
9	State Bank of India	20,000	0.63	20,000	0.63
10	State Bank of India	20,000	0.63	20,000	0.63

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

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

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

PNB FINANCE AND INDUSTRIES LIMITED

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

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

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

B. **Remuneration to other directors** (in ₹)

S. no	Particulars of remuneration	Name of directors						Total amount
		Govind Swarup	Mohit Jain	Rakesh Dhamani	Mukesh Gupta*	Ashish Verma	Saumya Agarwal	
1	Independent directors							
	Fee for attending board /committee meetings	4,00,000	-	-	-	2,00,000	1,00,000	7,00,000
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (1)	4,00,000	-	-	-	2,00,000	1,00,000	7,00,000
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	4,00,000	-	-	-	2,00,000	1,00,000	7,00,000
	Total managerial remuneration	4,00,000	-	-	-	2,00,000	1,00,000	7,00,000
	Overall ceiling as per the Act	Maximum sitting fee of 1,00,000 per Board/ Committee meeting						

* Resigned w.e.f. April 16, 2018

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

S. no	Particulars of remuneration	Key Managerial Personnel		
		Shweta Saxena -CS	Viveka Nand Jha-CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,31,656	13,10,052	31,41,708
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission - as % of profit - others	-	-	-
5	Others	-	-	-
	Total	18,31,656	13,10,052	31,41,708

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

Annexure III

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

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

To

The Members

PNB FINANCE AND INDUSTRIES LIMITED

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

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

Based on our verification of **PNB Finance and Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, 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 **PNB Finance and Industries Limited** for the financial year ended on March 31, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 applicable to the Company:
 - a. Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
 - b. All other compliances related to NBFC applicable to the Company.

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

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

We further report that the Board of Directors of the Company is constituted with all Independent Directors. 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.

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

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

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

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

Place : Ghaziabad
Date : May 06, 2019

CS Sakshi Mittal
Practicing Company Secretary
FCS No.: 8369/CP No. 9460

"ANNEXURE A"

To
The Members
PNB FINANCE AND INDUSTRIES LIMITED
1st Floor, Express Building,
9-10, Bahadur Shah Zafar Marg,
New Delhi-110002

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

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

Place : Ghaziabad
Date : May 06, 2019

CS Sakshi Mittal
Practicing Company Secretary
FCS No.: 8369/CP No. 9460

PNB FINANCE AND INDUSTRIES LIMITED

Annexure IV

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

S. no.	Particulars	Remarks
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR policy with primary focus on education, healthcare, women empowerment and sports. Besides these focus areas, the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR policy of the Company can be viewed on www.pnbfinanceandindustries.com
2.	The composition of the CSR Committee	Mr. Govind Swarup– Non Executive Independent Director Mr. Mohit Jain– Non Executive Independent Director Mr. Ashish Verma– Non Executive Independent Director
3.	Average net profit of the Company for last three financial years	₹ 605.04 lakhs
4.	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 12.10 lakhs
5.	a) Total amount to be spent in the financial year 2018-19, 2017-18 and 2016-17. b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below:	₹ 46.39 lakhs ₹ 36.47 lakhs*

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

*The Company has contributed ₹ 34.29 lakhs towards CSR obligation of financial year 2016-17 and 2017-18 and ₹ 2.18 lakhs of the financial year 2018-19 to Times Foundation in the month of June, 2019 and the same is unspent as on date of report.

** The Company has contributed ₹ 9.92 lakhs to Bennett University towards CSR obligation of financial year 2018-19 in the month of June, 2019.

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy will be in compliance with CSR objectives and policy of the Company from time to time.

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

Place : New Delhi
Date : August 07, 2019

Govind Swarup
Director
DIN: 00003145

Rakesh Dhamani
Director
DIN: 07065199

Annexure V

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

1. BOARD OF DIRECTORS

a) Composition and meetings of directors

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

The Corporate Governance philosophy of the Company establishes that the Board’s independence is essential to bring objectivity and transparency in the management and in the dealings of the Company. As on March 31, 2019, the Board consists of five directors. All of them are non-executive independent directors.

During the financial year under review, the Board met seven times on April 16, 2018, May 29, 2018, August 10, 2018, August 29, 2018, September 27, 2018, October 31, 2018 and February 12, 2019. The gap between any two meetings did not exceed 120 days. All the meetings of the Board were chaired by Mr. Govind Swarup, non-executive independent director of the Company.

The name and categories of the directors, their attendance at the Annual General Meeting and Board meeting held during the financial year 2018-19 and also their other directorship/chairmanship held in Indian public companies, listed companies and membership/ chairmanship of various Board committees of other Indian public companies as on March 31, 2019 are as under:

Name of director	Attendance at		Number of other directorships in other public companies [#]	Directorship in other listed companies	Number of committee membership in other companies	Number of committee chairmanship in other companies
	Board meeting (Total 7 meetings held)	123 rd AGM held on September 27, 2018				
Non-Executive Independent Directors						
Mr. Govind Swarup	7	Yes	4	Camac Commercial Company Limited-NEID	1	0
Mr. Mohit Jain	5	No	5	0	2	0
Mr. Rakesh Dhamani	7	Yes	0	0	0	0
Mr. Ashish Verma	5	Yes	1	0	1	0
Ms. Saumya Agarwal	5	Yes	1	0	1	0

(i) NEID- Non-Executive Independent Director

(ii) As required under Regulation 26 of the SEBI Listing Regulations, the disclosure includes membership/chairmanship of the audit committee and stakeholders relationship committee in other Indian public companies (listed and unlisted).

(iii) [#]Excludes directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

Mr. Mukesh Gupta, Non-Executive Independent Director, stepped down from the Board of the Company with effect from April 16, 2018 due to other pre-occupations. Mr. Mukesh Gupta has confirmed that there are no other material reasons other than those provided.

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

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

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

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

b) Directors remuneration

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

The Company has not implemented any stock option scheme.

The details of remuneration paid to the non-executive directors during the financial year 2018-2019 are as follows:

Name of director	Sitting fee (in ₹)		
	Board meeting	Audit Committee meeting	Stakeholders Relationship Committee meeting
Mr. Govind Swarup	1,40,000	1,00,000	80,000
Mr. Mohit Jain*	NIL	NIL	NIL
Mr. Rakesh Dhamani*	NIL	NIL	N.A.
Mr. Ashish Verma	1,00,000	N.A.	80,000
Ms. Saumya Agarwal	1,00,000	N.A.	N.A.
Mr. Mukesh Gupta [§]	NA	NIL	NA

i. N.A.- Not a member of committee

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

ii. [§]Mr. Mukesh Gupta resigned from the directorship and committeeship of the Company with effect from April 16, 2018.

As on March 31, 2019, none of the director holds any shares in the Company.

c) Code of Conduct

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

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

DECLARATION ON THE COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

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

<i>Place: New Delhi</i>	Govind Swarup Director DIN: 00003145	Rakesh Dhamani Director DIN: 07065199
<i>Date: August 07, 2019</i>		

d) Familiarization program for independent directors

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

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

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

2. COMMITTEES OF THE BOARD

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

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

Particulars of meeting of Board Committees held during financial year 2018-19 along with attendance of the members at such committee meeting(s) are detailed herein:

Committees of the Board	Meetings held	Directors attendance				
		Mukesh Gupta	Govind Swarup	Mohit Jain	Rakesh Dhamani	Ashish Verma
Audit Committee*	5	0	5	4	4*	NA
Nomination and Remuneration Committee*	3	0	3	3	2*	NA
Stakeholders Relationship Committee	4	NA	4	4	NA	4
Corporate Social Responsibility Committee	1	NA	1	1	NA	1

- (i) NA- Not a member of the Committee
- (ii) *The Board reconstituted Audit Committee and Nomination and Remuneration Committee at its Meeting held on April 16, 2018. Mr. Mukesh Gupta Ceased to be the member and Mr. Rakesh Dhamani has been appointed as the member of the said Committees.
- (iii) Necessary quorum was present in the meetings.

Details of Board Committees are as mentioned herein:

a) AUDIT COMMITTEE

i) Composition

As on March 31, 2019, the audit committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Govind Swarup as Chairman and Mr. Mohit Jain and Mr. Rakesh Dhamani as its members. All members of Audit Committee possess rich knowledge and expertise in financial and management fields.

During the year under review, the Committee met five (5) times i.e. on April 12, 2018, May 29, 2018, August 10, 2018, October 31, 2018 and February 12, 2019. The gap between any two meetings did not exceed 120 days. All the recommendations made by the Audit Committee have been accepted by the Board.

The Chairman of the Audit Committee, Mr. Govind Swarup was present at the Annual General Meeting held on September 27, 2018 to reply to the shareholders' queries. The Company Secretary acts as the Secretary of the Committee.

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

ii) Terms of reference:

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

b) NOMINATION AND REMUNERATION COMMITTEE

i) Composition

As on March 31, 2019, the Nomination and Remuneration Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Govind Swarup as Chairman and Mr. Mohit Jain and Mr. Rakesh Dhamani as its members.

During the financial year ended March 31, 2019, the Committee met three (3) times i.e. on April 12, 2018, August 10, 2018 and February 11, 2019. The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on September 27, 2018 and the Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

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

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and employees;
3. To devise a policy on Board diversity;
4. Formulation of criteria for evaluation of performance of independent directors and the Board;
5. Ensure that the Board comprises of a balanced combination of executive directors and non- executive directors and also the independent directors;
6. Decide/ approve details of fixed components and performance linked incentives along with criteria;
7. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

(iii) Performance evaluation

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

a) Personal traits for individual directors

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

b) Organisational traits for non-independent directors

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

c) Organisational traits for independent directors

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

d) Traits for Board/Committees

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

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

c) STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Composition

As on March 31, 2019, the Stakeholders Relationship Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Mohit Jain as Chairman and Mr. Govind Swarup and Mr. Ashish Verma as its members. Mrs. Shweta Saxena, Company Secretary, is the compliance officer of the Company. During the year under review, four (4) Meetings of the Stakeholders Relationship Committee were held i.e. on May 29, 2018, August 10, 2018, October 31, 2018 and February 11, 2019.

(ii) Brief terms of reference

The terms of reference of the Stakeholders Relationship Committee include:

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

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

During the year under review, the Company and the Registrar & Share Transfer Agent have received two investor grievances pertaining to investor related on SCORES portal, matters, the same were resolved and there were no pending complaints as on March 31, 2019.

d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

(i) Composition

As on March 31, 2019, the Corporate Social Responsibility Committee of the Board comprised of three (3) non-executive independent directors i.e. Mr. Govind Swarup as Chairman and Mr. Mohit Jain and Mr. Ashish Verma as its members.

(ii) Brief terms of reference

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

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

The responsibilities of the CSR Committee include:

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

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2019 is given in the Board’s report.

3. INDEPENDENT DIRECTORS’ MEETING

During the year under review, the independent directors met one time on January 29, 2019, inter alia to:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- iii. review fulfilment of the independence criteria as specified in SEBI Listing Regulations and their independence from the management.

4. GENERAL BODY MEETINGS

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

Financial year	Day	Date	Time	Venue
2015-16	Friday	September 30, 2016	10:30 A.M.	Conference Hall, First Floor, 10, Daryaganj, New Delhi-110002
2016-17	Tuesday	September 26, 2017	10:00 A.M.	Conference Hall, First Floor, 10, Daryaganj, New Delhi-110002
2017-18	Thursday	September 27, 2018	10:30 A.M.	Institute of Engineer Bhawan, 2 nd Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002

No Special resolution was passed in the year 2015-16, 2016-17 and 2017-18. No EGM was held during the year 2018-19. Further, no resolutions were implemented through postal ballot during the year under review, nor any such resolutions are presently proposed.

5. DISCLOSURES BY MANAGEMENT

- a) No material, financial and commercial transactions were reported by the management to the Board, in which the management or directors, their associates or their relatives, etc. had personal interest having a potential conflict with the interest of the Company at large. The Company has complied with the accounting standard on related party disclosure during the financial year 2018-19 and the 'Related Party Disclosures' have been given at note no. 2.6 in the notes to financial statements. The Company's policy on materiality of related party transactions is available on the Company's website: www.pnbfinanceandindustries.com
- b) There was no non-compliance during the last three years by the Company on any matter related to capital market. Consequently, there were neither penalties imposed nor strictures passed on the Company by stock exchanges, SEBI or any statutory authority.
- c) The Company did not raise any funds through public issue, right issue, preferential issue etc. during the financial year.
- d) With respect to CFO certification, a certificate signed by Mr. Viveka Nand Jha, CFO is attached with this report.
- e) The Company has established whistle blower and vigil mechanism policy and this policy enables the employees and directors to report their genuine concerns or grievances. This policy (copy of which is hosted on the website of the Company) safeguards whistle blowers from victimization. Your Board affirms that no personnel have been denied access for making disclosure or report under the policy to the Audit Committee.
- f) All mandatory requirements (except where not relevant or applicable) of Corporate Governance have been complied. The Company has not adopted any of the non-mandatory requirements.
- g) The accounting standards as notified in the Companies (Accounting Standards) Rules, 2006, as amended, have been followed in the preparation of the financial statements for the year ended March 31, 2019.
- h) The Company has in place internal control systems for assessing and mitigating elements of risks in relation to its operations which are followed scrupulously in day to day functioning of the Company. The Board of Directors annually reviews the Risk assessment & minimization policy of the Company.
- i) The policy on determining material subsidiaries has been uploaded and can be accessed on Company's website: www.pnbfinanceandindustries.com
- j) The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The policy is available on our website: www.pnbfinanceandindustries.com
- k) The Board of Directors reviews the compliance with all applicable laws on a quarterly basis. The Company has obtained certificate from M/s Sakshi Mittal and Associates, Company Secretaries affirming the compliances with these regulations and forms part of this report.
- l) The Company has obtained certificate from M/s. Sakshi Mittal and Associates, Company Secretaries, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies either by SEBI or MCA or any other statutory authorities.
- m) Since the Company has less than ten employees, it is not required to form committee for the redressal of complaints under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- n) The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by statutory auditors for the financial year 2018-19 are given below:

S. no.	Nature of service	Amount (₹ in lakh)
1.	Audit fees (inclusive of GST)	0.89
2.	Certification and out of pocket expenses (inclusive of GST)	0.18
	Total	1.07

6. MEANS OF COMMUNICATION

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

7. SHAREHOLDERS’ INFORMATION

a. Annual General Meeting Date, time & venue Date of book closure Date of payment of dividend Last date of receipt of proxy forms	: Tuesday, September 17, 2019 at 10:30 A.M. at Institute of Engineer Bhawan, 2 nd Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002 : September 10, 2019 to September 17, 2019 (both days inclusive) : on or after September 17, 2019 : September 15, 2019 (upto 10:30 A.M.)
b. Financial year	: 1st April- 31st March
c. Financial calendar (tentative) Financial reporting for the quarter ending on June 30, 2019 Financial reporting for the quarter ending on September 30, 2019 Financial reporting for the quarter ending on December 31, 2019 Financial reporting for the year ending on March 31, 2020	: Last week of July, 2019 : Last week of October, 2019 : Last week of January, 2020 : Last week of April, 2020
d. Listing on stock exchanges (equity shares) The equity shares of the Company are listed at The Calcutta Stock Exchange Ltd with scrip code 26055. The annual listing fee for the financial year 2018-19 has been paid within stipulated time period. Annual custodian fee for the financial year 2018-19 have also been paid to CDSL and NSDL.	
e. Stock market data No trading took place during the last financial year at The Calcutta Stock Exchange Limited.	
f. Share transfer system To expedite the transfer in physical segment, authority has been delegated to the stakeholders relationship committee of the Board. The Committee ensures a predetermined process cycle at 15 days interval and despatch of transferred share certificates within 5 working days from the date of transfer.	
g. Dematerialisation of shares and liquidity Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. January 29, 2001, as per notification issued by SEBI. As on March 31, 2019, 97.31% (31,13,908 shares) of equity shares have been dematerialised. The ISIN no. allotted to the Company is INE057F01011.	

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

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

Financial year ended	Date of declaration of dividend	Due date of transfer to IEPF
31.03.2012	21.09.2012	26.10.2019
31.03.2013	30.07.2013	03.08.2020
31.03.2014	30.07.2014	03.09.2021
31.03.2015	22.09.2015	28.10.2022
31.03.2016	30.09.2016	05.11.2023
31.03.2017	26.09.2017	01.11.2024
31.03.2018	27.09.2018	02.11.2025

PNB FINANCE AND INDUSTRIES LIMITED

The total amount lying in the unpaid dividend account of the Company as on March 31, 2019 in respect of the last seven years is ₹ 3.74 lakhs.

i. Distribution of shareholding as on March 31, 2019

No. of equity shares held			Shareholders		Number of Shares	
			Number	%	No. of shares held	%
Upto		5,000	869	92.35	46,428	1.45
5,001	-	10,000	38	4.04	29,245	0.91
10,001	-	20,000	11	1.17	14,631	0.46
20,001	-	30,000	3	0.32	7,867	0.24
30,001	-	40,000	1	0.11	3,200	0.10
40,001	-	50,000	0	0	0	0
50,001	-	100,000	5	0.53	38,261	1.20
Above		100,000	14	1.48	30,60,368	95.64
Total			941	100.00	32,00,000*	100.00

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

j. Shareholding pattern as on March 31, 2019

Category	Number of shares	Percentage
A. Promoters' holding	NIL	NIL
B. Non-Promoters' holding		
(a) Institutional investors	50,451	1.58
(b) Others		
1. Private bodies corporate	21,87,522	68.36
2. Indian public	9,05,697	28.30
3. NRIs	21,762	0.68
4. Hindu undivided family	6,713	0.21
5. Others (IEPF)	27,855	0.87
TOTAL	32,00,000*	100

*Including fractional coupons comprising 131 equity shares not yet exchanged

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

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

9. INVESTOR CORRESPONDENCE

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

10. FOR TRANSFER/DEMAT/DUPLICATE CHANGE IN ADDRESS, ETC.

: Skyline Financial Services Private Limited
 D-153/A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi-110020
 Phone No.: 011-26812682/83
 Email: viren@skylinerta.com

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The members of PNB Finance and Industries Limited,

We have examined the compliance of conditions of Corporate Governance by PNB Finance and Industries Limited (**“the Company”**) for the year ended 31st March, 2019, 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 of 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.

Date : May 17, 2019

Place : Ghaziabad

Sakshi Mittal
Practicing Company Secretaries
Membership No. F8369
CP No. 9460

CFO CERTIFICATION

The Board of Directors,
PNB Finance and Industries Limited

Dear Sir,

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

- 1) I have reviewed the financial statements and cash flow statement for the year 2018-19 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 my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- 3) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps I have taken or propose to take to rectify these deficiencies.
- 4) I have indicated to the auditors and the Audit Committee:
 - i) that there are no significant changes in internal control systems during the year.
 - ii) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes of the financial statement; and
 - iii) that there have been no instance of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system.

For **PNB FINANCE AND INDUSTRIES LIMITED**

Date: August 07, 2019

Place: New Delhi

VIVEKA NAND JHA
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Macro-Economic View

Global economic activity continues to face significant headwinds since the second-half of 2018 culminating in a lower global growth forecast of 3.3 percent in 2019. Adverse geopolitical developments and trade tensions are gradually but predictably taking a toll on business and consumer confidence.

The gradual monetary policy normalisation in advanced economies (AEs) as also the uncertainty in global trade regime may adversely affect capital flows to emerging markets (EMs) and exert upward pressure on EM interest rates and corporate spreads.

On the domestic front, growth of gross domestic product (GDP) showed slight moderation in Q2:2018-19 while inflation remains contained. In domestic financial markets, structural shifts in credit intermediation and the evolving interconnectivity between banks and the non-banks call for greater vigilance. This along with subdued new investment pipeline and a widening current account deficit have exerted pressure on the fiscal front.

Reviving private investment demand remains a key challenge going forward while being vigilant about the spill over from global financial markets.

India's financial system remains stable, and the banking sector shows signs of improvement, even though the global economic environment and the emerging trends in financial sector pose challenges.

Credit growth of scheduled commercial banks (SCBs) picked up, with public sector banks (PSBs) registering near double digit growth. Capital adequacy of the SCBs improved after the recapitalisation of PSBs.

In order to fine tune the supervisory mechanism for the banks, the Reserve Bank has recently reviewed the structure of supervision in the context of the growing diversity, complexities and interconnectedness within the Indian financial sector.

Industry Developments

Recent developments in the Non-banking financial companies (NBFC) sector have brought the sector under greater market discipline as the better performing companies continued to raise funds while those with assets liability management (ALM) and/or asset quality concerns were subjected to higher borrowing costs.

On a review, it has been decided that in order to provide NBFCs with greater operational flexibility, harmonisation of different categories of NBFCs into fewer ones shall be carried out based on the principle of regulation by activity rather than regulation by entity. Accordingly, it has been decided to merge the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and

Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC).

At the end of September 2018, the number of NBFCs registered with the Reserve Bank declined to 10,190 from 11,402 at the end of March 2018. NBFCs are required to have a minimum net owned fund (NOF) of ₹ 20 million. In a proactive measure to ensure strict compliance with the regulatory guidelines, the Reserve Bank cancelled the Certificates of Registration (CoR) of NBFCs not meeting this criterion.

The share of non-banking financial companies in loans extended to the commercial sector shrank by almost a third in the previous financial year amid unfavourable liquidity conditions and a revival in bank credit growth. NBFC exposure in the industry credit pie narrowed to 26.6 per cent in FY19 from 39.1 per cent a year earlier.

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 ₹ 10.71 crores during the year 2018-2019. The Company has generated major income this year due to the decision to churn the portfolio of low yield investments in anticipation of higher returns in the future.

Opportunities

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

Threats

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

Risk and Concern

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

Internal control systems & their adequacy

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

PNB FINANCE AND INDUSTRIES LIMITED

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

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

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

- A) (i) The Company is duly registered with the Reserve Bank of India (hereinafter referred as the "Bank") as an NBFC and has obtained the Certificate of Registration (CoR) vide certificate No. B-14.00572 dated 26/03/1998.
- (ii) The Company is entitled to continue to hold such Certificate of Registration (CoR) in terms of its principal business criteria (Financial asset/income pattern) asset/income pattern as on March 31, 2019.
- (iii) The Company is meeting the required Net Owned Fund requirement as laid down in Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The Net Owned Fund as on March 31, 2019 is amounting to ₹ 97.80 Crore.
- B) Since the Company does not hold public deposits and neither has it accepted public deposits during the year, therefore the matters specified in this paragraph are not applicable to the Company.
- C) i) The Board of Directors has passed a resolution dated **April 16, 2018** for non-acceptance of any public deposits during the financial year 2018-19.
- ii) The Company has not accepted any public deposits during the year ended March 31, 2019.
- iii) Since the Company has not accessed any public funds and does not have any customer interface during the year ended March 31, 2019 and accordingly the directions related to prudential regulations as contained in the Chapter IV of Non-Banking Financial Company–Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 is not applicable on the Company, hence the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts are not applicable to the Company.
- iv) Since the Company is not a Systemically Important Non-Deposit taking NBFC as defined in paragraph 3 (xxxi) of the "Non-Banking Financial Company–Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the matters specified in this paragraph are not applicable to the Company.
- v) Since the Company is not a NBFC-Micro Financial Institutions (MFI) as defined in paragraph 3 (xix) of the "Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, the matters specified in this paragraph are not applicable to the Company.
- D) Since the Company has not obtained any specific advice from the bank that it is not required to hold Certificate of Registration from the Bank; the matters specified in this paragraph are not applicable to the Company.

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

Sanjay Agrawal
Partner
Membership No. 087786

Date : June 22, 2019
Place : New Delhi

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PNB FINANCE AND INDUSTRIES LIMITED

I. Report on the audit of financial statements for the year ended March 31, 2019

1. Opinion

- A. We have audited the accompanying standalone financial statements of **PNB Finance and Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss and the statement of cash flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, and its cash flows for the year ended on that date.

2. Basis for opinion

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

3. Management's responsibility for the financial statements

- A. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies and its implementation and maintenance; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

4. Auditor's responsibilities for the audit of the financial statements

- A. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the

- circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v) Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the standalone financial statements.
- C. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 - D. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
2. As required by Section 143(3) of the Act, based on our audit we report that :
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - C. The balance sheet, the statement of profit and loss and the statement of cash flow dealt with by this report are in agreement with the books of account;
 - D. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - E. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

II. Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the order.

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 : May 28, 2019

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 and Industries Limited for the year ended March 31, 2019)

- 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 to 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 thereunder, wherever applicable.
- vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii) a) According to the information and explanations given to us and according to the records produced before us for verification, the Company is generally regular in depositing, with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, and Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, Goods and Services Tax (GST), cess and other statutory dues which have not been deposited on account of disputes.
- viii) The Company does not have any dues to financial institution or bank or debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the financial year and has not done any initial public offer or further public offer (including debt instrument) and hence Clause-3(ix) is not applicable.
- x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanation given to us by the management, no fraud on or by the Company has been noticed or reported during the year.
- xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration under Section 197 read with the Schedule V to the Companies Act 2013 and hence Clause 3(xi) is not applicable to the Company.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3(xii) is not applicable to the Company.
- xiii) As explained to us and as per the records of the Company, in our opinion there are no transactions with the related parties during the year.
- xiv) According to the records of the Company, it has not made preferential allotment of shares during the year under report, hence clause 3(xiv) is not applicable to the Company.
- xv) During the year, the Company has not entered into any non-cash transaction with Director or person connected with him and Clause 3(xv) is not applicable to the Company.
- xvi) The Company is a Non Banking Financial Company and is registered under Section 45-IA 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 : May 28, 2019

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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

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

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

of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 & C O.**

Chartered Accountants

Firm Registration No. 000726N

Sanjay Agrawal

Partner

Membership No. : 087786

Place : New Delhi

Date : May 28, 2019

PNB FINANCE AND INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Note no.	As at 31.03.2019 (₹ in lakhs)	As at 31.03.2018 (₹ in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	320.00	320.00
Reserves and surplus	4	9,461.96	8,413.52
Non current liabilities			
Long term provisions	5	6.77	5.96
Current liabilities			
Trade payables			
- Dues of micro and small enterprises		-	-
- Dues to other creditors		1.19	1.13
Other current liabilities	6	4.60	4.70
Short term provisions	7	1.50	0.12
Total		<u>9,796.02</u>	<u>8,745.43</u>
ASSETS			
Non- current assets			
Property, plant and equipments			
- Tangible assets	8	0.72	0.15
Non-current investments	9	9,726.69	8,679.56
Deferred tax assets	10	1.94	30.42
Long term loans & advances	11	23.85	23.95
Current assets			
Cash and bank balances	12	11.71	11.06
Short-term loans and advances	13	0.20	0.08
Other current assets	14	30.91	0.21
Total		<u>9,796.02</u>	<u>8,745.43</u>
Significant accounting policies & notes to financial statements	1 to 17		

The accompanying notes 1 to 17 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

Govind Swarup

Director

DIN: 00003145

Rakesh Dhamani

Director

DIN: 07065199

Place: New Delhi

Date: May 28, 2019

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, 2019

PARTICULARS	Note no.	For the year ended 31.03.2019 (₹ in lakhs)	For the year ended 31.03.2018 (₹ in lakhs)
REVENUE			
Other income	15	1,212.88	1,294.96
Total		<u>1,212.88</u>	<u>1,294.96</u>
EXPENSES			
Employee benefits expenses	16	34.27	29.53
Depreciation	8	0.57	0.15
Other expenses	17	23.92	33.49
Total		<u>58.76</u>	<u>63.17</u>
Profit before exceptional items and tax		1,154.12	1,231.79
Exceptional items - Interest realised on loan		149.05	-
Profit before tax		<u>1,303.17</u>	<u>1,231.79</u>
Tax expense			
Current tax		203.01	226.46
MAT credit entitlement used		-	(44.36)
Earlier year tax provision (net)		0.10	-
Deferred tax charge/(credit)		28.48	15.46
Profit after tax for the year		<u>1,071.58</u>	<u>1,034.23</u>
Earnings per equity share			
Equity shares of par value ₹10/- each			
Basic (in ₹)		33.49	32.32
Diluted (in ₹)		33.49	32.32
Significant accounting policies & notes to financial statements	1 to 17		

The accompanying notes 1 to 17 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

Govind Swarup

Director

DIN: 00003145

Rakesh Dhamani

Director

DIN: 07065199

Place: New Delhi

Date: May 28, 2019

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, 2019

PARTICULARS	For the year ended 31.03.2019 (₹ in lakhs)	For the year ended 31.03.2018 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,303.17	1,231.79
Adjustment for:		
Dividend from non current investments	(318.48)	(340.10)
Gain/(loss) on sale of non current investments(net)	(871.78)	(952.69)
Interest income on bonds & debentures (Non current)	(4.15)	(0.48)
Interest realised on loan (Exceptional item)	(149.05)	-
Non cash items :		
Depreciation on tangible property, plant and equipments	0.57	0.15
Provision for diminution in value of investments written back	(18.39)	-
Provision for gratuity and leave encashment made/ (-) written back	0.83	(1.65)
Excess provision written back	-	(0.02)
Operating profit/(-) loss before working capital changes	(57.28)	(63.00)
Adjustments for changes in working capital:		
(-)Increase/decrease in short term loans and advances	(0.12)	(0.03)
Increase/(-) decrease in trade payables	0.06	-
Increase/(-) decrease in other current liabilities	0.20	0.51
Cash generated from /(-) used in operations	(57.14)	(62.52)
Income taxes paid (net of refunds)	(201.65)	(180.24)
Net cash from/ (-) used in operating activities A	(258.79)	(242.76)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(1.14)	-
Proceeds from sale /redemption of non current / current investments	7,535.27	6,009.35
Purchase of investments (Non current & current)	(7,710.62)	(6,080.49)
Pre-acquisition peiod interest paid on purchase of bonds	(27.24)	-
Interest received on debentures	0.70	0.48
Doubtful loan realised	18.39	-
Interest realised on loan (exceptional items)	149.05	-
Dividend received on non current investments	318.48	340.10
Net cash from/(-) used in investing activities B	282.89	269.44

PNB FINANCE AND INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	For the year ended 31.03.2019 (₹ in lakhs)	For the year ended 31.03.2018 (₹ in lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(19.20)	(19.20)
Dividend distribution tax paid	(3.94)	(3.91)
Net cash from/(-)used in financing activities C	<u>(23.14)</u>	<u>(23.11)</u>
Net increase/(-) decrease in cash and cash equivalents (A+B+C)	<u>0.96</u>	<u>3.57</u>
Cash and cash equivalents at the beginning of the year	<u>7.01</u>	<u>3.44</u>
Total cash and cash equivalents at the end of the year	<u>7.97</u>	<u>7.01</u>
Components of cash and cash equivalents:		
Cash balance on hand	0.05	0.03
Balance with scheduled bank:		
In current accounts	7.92	6.98
Total	<u>7.97</u>	<u>7.01</u>

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 28, 2019

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Shweta Saxena

Company Secretary

Membership No. A18585

Rakesh Dhamani

Director

DIN: 07065199

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

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 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.

1.4 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.

1.5 Property, plant & equipments

Property, plant & equipments (PPE) (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 PPE 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 PPE

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 PPE 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.

1.6 Depreciation

Depreciation on property, plant & equipments (PPE) is provided on written down value as per rates arrived at based on useful life and manner prescribed under Schedule II of the Companies Act, 2013.

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

1.7 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.

1.8 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.

1.9 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.

1.10 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 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 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.

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.

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.

1.13 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 are 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.

1.14 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 cannot be made.

2 Notes to financial statements

2.1 : Earnings per share

Particulars	As at March 31, 2019	As at March 31, 2018
Net profit attributable to equity shareholders (in lacs) (A)	1,071.58	1,034.23
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)	33.49	32.32

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 a sum of ₹ Nil (Previous year for a sum of ₹ 44.36 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.

2.4 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. ₹ 1.03 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	
	31.03.19	31.03.18	31.03.19	31.03.18
Discounting rate	7.65% p.a.	6.50% p.a.	7.65% p.a.	6.50% p.a.
Future salary increase	8.00% p.a.	6.50% p.a.	8.00% p.a.	6.50% 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	18.92 years	19.92 years	18.92 years	19.92 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	
	31.03.19	31.03.18	31.03.19	31.03.18
Present value of obligation (PBO) as at the beginning of year	3.89	4.18	2.19	3.55
Past service cost	-	-	-	-
Current service cost	0.43	0.42	0.23	0.24
Interest cost	0.25	0.28	0.14	0.23
Benefits paid	-	-	-	-
Actuarial (gain)/loss	(0.04)	(0.99)	(0.18)	(1.83)
Present value of obligation (PBO) as at the end of year	4.53	3.89	2.38	2.19

d) Movement in the liability recognised in the balance sheet:

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Carrying amount at the beginning of the year	3.89	4.18	2.19	3.55
Additional provisions made/(-) reversed during the year	0.64	(0.29)	0.19	(1.36)
Amount used during the year	-	-	-	-
Carrying amount at the end of the year	4.53	3.89	2.38	2.19

e) Expenses recognised in the statement of profit & loss :

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Current service cost	0.43	0.42	0.23	0.23
Past service cost	-	-	-	-
Interest cost	0.25	0.28	0.14	0.24
Expected return on plan assets	-	-	-	-
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(0.04)	(0.99)	(0.18)	(1.83)
Expenses recognized in the statement of profit & loss	0.64	(0.29)	0.19	(1.36)

f) Reconciliation statement of expenses in the statement of profit & loss:

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Present value of obligation as at the end of period	4.53	3.89	2.38	2.19
Present value of obligation as at the beginning of the period	3.89	4.18	2.19	3.55
Benefits paid	-	-	-	-
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Expenses recognized in the statement of profit & loss	0.64	(0.29)	0.19	(1.36)

Bifurcation of PBO at the end of the year: -

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Current liability	0.09	0.08	0.05	0.04
Non current liability	4.44	3.81	2.33	2.15
Total PBO at the end of the year	4.53	3.89	2.38	2.19

2.5 Segment reporting

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

2.6 Related party disclosures

Disclosure of related parties & related party transactions entered into during the year:

(a) Related parties and nature of relationship :

(i) Related parties, where control exists:

Name of the company	Relationship
Punjab Mercantile and Traders Limited	Subsidiary Company
Jacaranda Corporate Services Limited	Subsidiary Company

(ii) Other related parties, where there have transactions :

Name of the company/person	Relationship
Mr. Govind Swarup	Director
Mr. Mukesh Gupta	Director (upto 15-04-2018)
Mr. Ashish Verma	Director
Mrs. Saumya Agarwal	Director
Mrs. Shweta Saxena	KMP (Company Secretary)
Mrs. Vijaya Agarwal	KMP (Manager) (upto 31-03-2018)
Mr. Vijay Kumar Bakshi	KMP (Manager) (w.e.f. 01-04-2018)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

(b) 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 at	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Mr. Govind Swarup	Director’s sitting fees	4.00	3.00	-	-
Mr. Mukesh Gupta	Director’s sitting fees	-	2.20	-	-
Mr. Ashish Verma	Director’s sitting fees	2.00	2.00	-	-
Mrs. Saumya Agarwal	Director’s sitting fees	1.00	1.00	-	-
Mr. Viveka Nand Jha	Remuneration	13.10	11.49	-	-
Mrs. Shweta Saxena	Remuneration	18.32	16.12	-	-
Mrs. Vijaya Agarwal	Remuneration	-	0.12	-	-
Mr. Vijay Kumar Bakshi	Remuneration	0.12	-	-	-

2.7 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. Further, the detail of amounts outstanding to micro, small & medium enterprises based on information available with the Company is as under:

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due and remaining unpaid	Nil	Nil
Interest due on above and the unpaid Interest	Nil	Nil
Interest paid	Nil	Nil
Payment made beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil
Amount of further interest remaining due and payable in succeeding year	Nil	Nil
Total	Nil	Nil

2.8 Foreign exchange earnings and outgo during the year are as follows:-

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

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 applicable 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 movement in provision for diminution in the value of investment of the Company is as under:

(Amount in ₹ lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for diminution as at the beginning of the year	9.08	9.08
Add: provision made during the year	-	-
Less: provision no longer required, written back	-	-
Provision for diminution as at the end of the year	9.08	9.08

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

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

3. Share capital

Particulars	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
Share capital		
Equity share capital		
Authorised share capital		
50,00,000 (P.Y. -50,00,000) equity shares of ₹ 10 each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
Issued share capital		
32,00,000 (P.Y. -32,00,000) shares of ₹ 10 each	320.00	320.00
	<u>320.00</u>	<u>320.00</u>
Issued, subscribed & fully paid share capital		
a) 8,01,288.5 (P.Y. - 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 (P.Y.-23,98,711.5) shares of ₹10 each fully paid up. (including 131 equity shares of ₹ 10 each in the form of fractional coupons)	239.87	239.87
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. March 31, 2019.
- 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 March 31, 2019 (March 31, 2018 : ₹ 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 (in numbers)

Name of shareholder	As at 31.3.2019	As at 31.3.2018
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

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Particulars	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
4 Reserve & surplus		
I. General reserve		
As per last balance sheet	1,435.16	1,415.16
Add:- additions during the year	20.00	20.00
	1,455.16	1,435.16
II. Special reserve U/s 45 -IC of RBI Act, 1934		
As per last balance sheet	1,712.36	1,510.13
Add:- additions during the year	209.69	202.23
	1,922.05	1,712.36
III. Share premium	103.91	103.91
IV. Surplus		
As per last balance sheet	5,162.09	4,373.20
Add:- profit after tax for the year	1,071.58	1,034.23
Less:- transfer to general reserve	20.00	20.00
Less:- transfer to special reserve	209.69	202.23
Less:- dividend paid	19.20	19.20
Less:- dividend distribution tax paid	3.94	3.91
Net surplus	5,980.84	5,162.09
Total (I+II+III+IV)	9,461.96	8,413.52
5 Long term provisions		
Provision for employee benefits		
for leave encashment	2.33	2.15
for gratuity	4.44	3.81
Total	6.77	5.96
6 Other current liabilities		
Others		
TDS payable	0.60	0.25
GST payable	0.07	0.22
Provident fund payable	0.18	0.18
Unpaid dividend	3.75	4.05
Total	4.60	4.70
7 Short term provisions		
Provisions for employee benefits		
for leave encashment	0.05	0.04
for gratuity	0.09	0.08
Provision for income tax (net of advance tax)	1.36	-
Total	1.50	0.12

8. Property, plant and equipments

(₹ in lakhs)

Particulars	Gross carrying value				Depreciation reserve				Net carrying value	
	As on 1.04.2018	Additions during the year	Deductions during the year	As on 31.03.2019	Upto 31.03.2018	For the year	Deduction /adjustments during the year	Upto 31.03.2019	As on 31.03.2019	As on 31.03.2018
Tangible assets	3.77	1.14	0.74	4.17	3.62	0.57	0.74	3.45	0.72	0.15
Office equipments (Computers & others)										
Total	3.77	1.14	0.74	4.17	3.62	0.57	0.74	3.45	0.72	0.15
Previous year	3.77	-	-	3.77	3.47	0.15	-	3.62	0.15	0.30

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9 Non current investment					
No of shares/ bonds/units** 31.03.2019	No of shares/ bonds/units** 31.03.2018	Particulars	Face value per share/bond/ unit (In ₹)	*Book value as at 31.03.2019 (₹ in lakhs)	*Book value as at 31.03.2018 (₹ in lakhs)
		(Long term - other than trade - at cost, unless stated otherwise)			
		(A) Equity shares - quoted			
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	Ashoka Viniyoga Ltd.@	10	-	5.50
1,219,140	1,219,140	HDFC Bank Ltd.	2	140.90	140.90
				149.47	154.97
		Less: Provision for diminution in value of investments***		5.07	5.07
		Total (A)		144.40	149.90
		(B) Equity shares - unquoted			
50,000	50,000	Punjab Mercantile and 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-2,66,63,976)	10	0.15	0.15
55,000		- Ashoka Viniyoga Ltd.@	10	5.50	-
23,500	23,500	Excel Publishing House Ltd.	10	4.76	4.76
19,800	19,800	Pearl Printwell Ltd.****	10	4.01	4.01
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	-	-
				64.55	59.05
		Less: Provision for diminution in value of investments****		4.01	4.01
		Total (B)		60.54	55.04
		(C) Debentures - unquoted			
-	6,000	Arcus Ltd. (formerly known as Parshva Properties Ltd.)	100	-	3.23
-				-	3.23
		Total (C)		-	3.23
		(D) Bond-quoted			
100	-	- 9.56%, State Bank of India perpetual bond (Call date : 04-12-2023)	1,000,000	1004.41	-
		Total (D)		1,004.41	-
		(E) Mutual funds -quoted			
5,000,000	-	- Kotak FMP series 251 - 1265 days direct plan growth (Maturity -10-05-2022)	10	500.00	-
1,450,000	-	- Reliance fixed horizon fund-XXXVII series IV-growth-direct (Maturity Date -05-04-2022)	10	145.00	-
		Total (E)		645.00	-
		(F) Mutual funds - unquoted			
1,368,378	1,368,378	Aditya Birla Sun Life Corporate Bond Fund -direct-growth (Earlier Aditya Birla Sun Life Short Term Fund -direct -growth)	10	801.36	801.36
-	2,505,868	Aditya Birla Sun Life Short Term Oppurtunities Fund -direct-growth	10	-	600.00
-	7,527,609	HDFC Banking & PSU Debt Fund- direct Plan- growth	10	-	1,002.00
-	771,925	HDFC Corporate Debt Oppurtunities Fund -direct plan - growth	10	-	80.00

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No of shares/ bonds/units** 31.03.2019	No of shares/ bonds/units** 31.03.2018	Particulars	Face value per share/bond/ unit (In ₹)	*Book value as at 31.03.2019 (₹ in lakhs)	*Book value as at 31.03.2018 (₹ in lakhs)
29,807	84,969	HDFC Floating Rate Debt Fund -Direct Plan - whole sale-growth (Earlier HDFC Floating Rate Income fund -STP-direct-growth)	10	7.03	20.03
645,333	-	- HDFC Low Duration Fund- Direct Plan-Retail - growth	10	256.05	-
1,042	-	- ICICI Prudential Savings Fund-Direct-growth	100	3.50	-
4,066,219	4,066,219	ICICI Prudential Short Term Fund-Direct Plan- growth	10	1,431.60	1,431.60
3,556,545	3,556,545	IDFC Bond Fund- MTP-Direct growth (Earlier IDFC Super Savings Income Fund - MTP)	10	1,018.00	1,018.00
1,874,971	1,874,971	IDFC Corporate Bond Fund -direct plan -growth	10	204.00	204.00
5,008,774	5,008,774	Kotak Bond- Short Term- direct- growth	10	1,589.44	1,589.44
7,578,500	-	- Kotak Savings Fund -direct plan -growth	10	2,265.32	-
-	4,429,068	Reliance Credit Risk Fund - direct - growth (Earlier Reliance Regular Savings Fund - Debt Plan)	10	-	877.00
-	897,256	Reliance Floating Rate Fund - direct -Growth (Earlier Reliance Floating Rate Fund -Short Term Plan)	10	-	247.00
-	2,619,094	UTI Credit Risk Fund - direct - growth (Earlier UTI Income Opportunities Fund)	10	-	350.00
-	1,577,602	UTI Dynamic Bond Fund -direct Plan-growth	10	-	250.96
11,698	-	- UTI Treasury Advantage Fund- direct plan growth	1,000	296.04	-
Total (F)				7,872.34	8,471.39
Total quoted (A+D+E)				1,793.81	149.90
Total unquoted (B+C+F)				7,932.88	8,529.66
Grand Total (A+B+C+D+E+F)				9,726.69	8,679.56
Aggregate market value of quoted investments \$				30,196.20	23,399.27
Aggregate value of provision for diminution of investments (quoted & unquoted)				9.08	9.08

* 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 02, 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 October 17, 2014 Company has received the equity shares of Times Internet Ltd. in the ratio of 100:96 for the equity shares held in Times Business Solutions Ltd.

** Units are rounded off to the nearest unit.

\$ Wherever the quoted equity shares have not been traded/no latest quotation is available, then net asset value based on last available audited financials statements have been considered.

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

Particulars	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
10 Deferred tax assets (net)		
Assets on account of		
Carried forward long term capital losses under the Income tax Act	-	28.71
Accrued expenses allowable on payment basis	1.92	1.69
Difference in depreciation	0.02	0.02
	<u>1.94</u>	<u>30.42</u>
Reconciliation of deferred tax assets		
Opening balance of deferred tax assets	30.42	45.88
Less:- closing balance of deferred tax assets	1.94	30.42
Deferred tax asset created/ (-) reversed during the year	<u>28.48</u>	<u>15.46</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
11 Long term loans and advances		
Unsecured, Considered Good		
Advance income tax / TDS (net of tax provisions)	23.85	23.95
Total	<u>23.85</u>	<u>23.95</u>
12 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	0.05	0.03
Bank balances		
Balances with HDFC Bank Ltd., New Delhi (current account)	7.92	6.98
	<u>7.97</u>	<u>7.01</u>
Other bank Balances		
Balance in unclaimed dividend account with HDFC Bank Ltd. New Delhi	3.74	4.05
Total	<u>11.71</u>	<u>11.06</u>
13 Short term loans and advances		
Unsecured, Considered Good		
Prepaid expenses	0.20	0.08
Total	<u>0.20</u>	<u>0.08</u>
14 Other current assets		
Unsecured loan (considered doubtful)	-	18.39
Less : provision for doubtful debts	-	18.39
	<u>-</u>	<u>-</u>
Interest accrued	30.91	0.21
Total	<u>30.91</u>	<u>0.21</u>
15 Other income		
Dividend income from non-current investment (Long Term)	318.48	340.10
Profit on sale of non-current investments (Long Term)	871.78	952.69
Interest on bonds & debentures (Long Term)	4.15	0.48
Provision for doubtful debts written back	18.39	-
Excess Provision written back	-	1.67
Miscelleaous income	0.08	0.02
Total	<u>1,212.88</u>	<u>1,294.96</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
16 Employee benefit expenses		
Salaries	31.42	27.60
Contribution to provident and other funds	1.14	1.15
Provision for gratuity and leave encashment	0.83	-
Staff welfare expenses	0.88	0.78
Total	34.27	29.53
17 Other expenses		
Director's sitting fee	7.00	8.20
Legal and professional charges	4.14	5.42
Travelling & conveyance expenses	4.87	4.18
GST /service tax paid under reverse charge	1.45	1.98
AGM expenses	1.14	0.76
Printing & stationery	1.19	1.90
Postage & telephone charges	0.85	1.06
Advertisement expenses	0.72	0.39
Listing fees	0.29	0.29
Custodian fees	0.21	0.21
Document storage rent	0.32	1.62
Software charges	0.39	3.53
Manager remuneration	0.12	0.12
Filing fees	0.12	0.06
Advances/assets written off	-	2.80
<u>Auditor's remuneration (inclusive of GST) :-</u>		-
- as Audit fees	0.71	0.71
- for certification & out of pocket expenses	0.18	0.17
Miscellaneous expenditure	0.22	0.10
Total	23.92	33.49

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 28, 2019

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Shweta Saxena

Company Secretary

Membership No. A18585

Rakesh Dhamani

Director

DIN: 07065199

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

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

	Particulars	As on March 31, 2019	
		Amount outstanding (₹ in lakhs)	Amount overdue (₹ in lakhs)
	Liabilities side :		
1	Loans and advances availed by the non -banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(Other than falling within the meaning of public deposits)		
	(b) Deferred credits	NIL	NIL
	(c) Term loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial paper	NIL	NIL
	(f) Public deposits	NIL	NIL
	(g) Other loans (specify nature)	NIL	NIL
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid:		
	(a) In the form of unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures	NIL	NIL
	(c) Other public deposits	NIL	NIL
	Assets side :	Amount outstanding	
3	Break-up of loans and advances including bills receivables [other than those included in (4) below] :		
	a) Secured	NIL	
	b) Unsecured	NIL	
4	Break up of leased assets and stock on hire and other assets counting towards asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors:	NIL	
	(a) Financial lease	NIL	
	(b) Operating lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	NIL	
	(b) Repossessed assets	NIL	
	(iii) Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	
5	Break-up of investments :		
	Current Investments :		
	1. Quoted:		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debentures and bonds	NIL	
	(iii) Units of mutual funds	NIL	
	(iv) Government securities	NIL	
	(v) Others (please specify)	NIL	
	2. Unquoted		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debentures and bonds	NIL	
	(iii) Units of mutual funds	NIL	
	(iv) Government securities	NIL	
	(v) Others	NIL	

PNB FINANCE AND INDUSTRIES LIMITED

	Assets side :	Amount outstanding		
	Long term investments :			
	1. Quoted:			
	(i) Shares : (a) Equity	149.47		
	(b) Preference	NIL		
	(ii) Debentures and bonds	1,004.41		
	(iii) Units of mutual funds	645.00		
	(iv) Government securities	NIL		
	(v) Others (Please specify)	NIL		
	2. Unquoted			
	(i) Shares : (a) Equity	64.55		
	(b) Preference	NIL		
	(ii) Debentures and bonds	NIL		
	(iii) Units of mutual funds	7,872.34		
	(iv) Government securities	NIL		
	(v) Others (please specify)	NIL		
6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
	Category	Amount of net provisions		
		Secured	Unsecured	Total
	1. Related parties *	NIL	NIL	NIL
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
	2. Other than related parties	NIL	NIL	NIL
	Total	NIL	NIL	NIL
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category	Market value/Break-up or fair value or NAV	Book value (net of provisions)	
	1. Related parties *			
	(a) Subsidiaries	3,616.89	25.00	
	(b) Companies in the same group [#]	NIL	NIL	
	(c) Other related parties	NIL	NIL	
	2. Other than related parties	168,526.05	9,701.69	
	Total	172,142.94	9,726.69	
8.	Other information			
	Particulars	Amount		
	I Gross non-performing assets			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
	II Net non-performing assets			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
	III Assets acquired in satisfaction of debt	NIL		

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

[#] Company in the same group is being disclosed on the same line as per financial year 2017-18.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PNB FINANCE AND INDUSTRIES LIMITED

Report on the audit of consolidated financial statements for the year ended March 31, 2019

Opinion

We have audited the accompanying consolidated financial statements of **PNB Finance and Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss, the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies, note and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, the consolidated profit and loss and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information other than the consolidated financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis Board's report including annexures to Board's report, business responsibility report, corporate governance and shareholder's information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance /conclusion thereon.

Management's responsibility and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibility for the audit of the consolidated financial statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law have been kept by so far as it appears from our examination of those books.
- c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by

the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i) There were no pending litigations which would impact the consolidated financial position of the Group.
- ii) The group did not have any long term contracts and had no derivative contracts outstanding as at March 31, 2019.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Sanjay Agrawal
Partner
Membership No. : 087786

Place : New Delhi
Date : May 28, 2019

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

(Referred to in paragraph (f) under ‘Report on other legal and regulatory requirements’ of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of PNB FINANCE AND INDUSTRIES LIMITED (the “Holding Company”) & its subsidiaries (the holding company and its subsidiaries together referred to as “the Group”) as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries covered under the Act, as at that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Holding Company’s and its subsidiaries management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the “Guidance Note”) and the standards on auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiaries internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiaries, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Holding Company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

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

Place : New Delhi
Date : May 28, 2019

Sanjay Agrawal
Partner
Membership No. : 087786

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Note no.	As at 31.03.2019 (₹ in lakhs)	As at 31.03.2018 (₹ in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	320.00	320.00
Reserves and surplus	4	13,053.85	11,476.17
Non current liabilities			
Long term provisions	5	6.77	5.96
Current liabilities			
Trade payables			
- Dues of micro and small enterprises		-	-
- Dues to other creditors		1.51	1.31
Other current liabilities	6	4.60	4.70
Short term provisions	7	3.77	0.12
Total		<u>13,390.50</u>	<u>11,808.26</u>
ASSETS			
Non- current assets			
Property, plant and equipments			
- Tangible assets	8	0.72	0.15
Non-current investments	9	13,314.83	11,736.39
Deferred tax assets	10	1.94	30.42
Long term loans & advances	11	28.59	28.37
Current assets			
Cash and bank balances	12	13.27	12.64
Short term loans and advances	13	0.24	0.08
Other current assets	14	30.91	0.21
Total		<u>13,390.50</u>	<u>11,808.26</u>
Significant accounting policies & notes to financial statements	1 to 17		

The accompanying notes 1 to 17 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

Govind Swarup

Director

DIN: 00003145

Rakesh Dhamani

Director

DIN: 07065199

Place: New Delhi

Date: May 28, 2019

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 MARCH 31, 2019

PARTICULARS	Note no.	For the year ended 31.03.2019 (₹ in lakhs)	For the year ended 31.03.2018 (₹ in lakhs)
REVENUE			
Other income	15	1,842.22	1,538.55
Total		<u>1,842.22</u>	<u>1,538.55</u>
EXPENSES			
Employee benefits expenses	16	36.33	31.33
Depreciation	8	0.57	0.15
Other expenses	17	24.64	36.33
Total		<u>61.54</u>	<u>67.81</u>
Profit before exceptional items and tax		<u>1,780.68</u>	<u>1,470.74</u>
Exceptional Items -Interest realised on Loan		149.05	-
Profit before tax		<u>1,929.73</u>	<u>1,470.74</u>
Tax expense			
Current tax		300.15	248.70
MAT credit entitlement used		-	(51.22)
Earlier year tax provision(net)		0.28	1.29
Deferred tax charge /(-)credit		28.48	15.46
Profit after tax for the year		<u>1,600.82</u>	<u>1,256.51</u>
Earnings per equity share			
Equity shares of par value ₹10/- each			
Basic (in ₹)		50.03	39.27
Diluted (in ₹)		50.03	39.27
Significant accounting policies & notes to financial statements	1 to 17		

The accompanying notes 1 to 17 are an integral part of the financial statements

As per our report of even date attached

For Awatar & Co.

Chartered Accountants

Firm Regn. No. 000726N

Sanjay Agrawal

Partner

Membership No. 087786

Place: New Delhi

Date: May 28, 2019

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Shweta Saxena

Company Secretary

Membership No. A18585

Rakesh Dhamani

Director

DIN: 07065199

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	For the year ended 31.03.2019 (₹ in lakhs)	For the year ended 31.03.2018 (₹ in lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,929.73	1,470.74
Adjustment for :-		
Dividend from non-current investments	(472.27)	(493.89)
(-) Gain /loss on sale of non current investments(net)	(1,347.33)	(1,042.49)
Interest on bonds & debentures (non-current investments)	(4.15)	(0.48)
Interest realised on loan (exceptional item)	(149.05)	-
Non cash items :		
Provision made / (-) written back for diminution in value of investments	(18.39)	-
Depreciation on tangible property, plant and equipments	0.57	0.15
Adjustment(net) due to de-subsidiarisation	-	(41.63)
Excess provision written back	-	(0.02)
Provision for leave encashment and gratuity made / (-) written back	0.83	(1.65)
Operating profit/(-) loss before working capital changes	(60.06)	(109.27)
Adjustments for changes in working capital:		
(-)Increase/Decrease in short term loans and advances	(0.16)	(0.02)
(-)Increase/Decrease in long term loans and advances	(0.32)	-
(-)Increase/Decrease in trade payables	0.20	-
Increase/(-) Decrease in other current liabilities	0.20	0.40
Cash generated from /(-)used in operations	(60.14)	(108.89)
Income taxes paid (net of refunds)	(296.71)	(198.48)
Net cash from/ (-)used in operating activities..... A	(356.85)	(307.37)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(1.14)	-
Proceeds from sale /redemption of non current / current investments	11,686.68	7,223.14
Purchase of investments (non current & current)	(11,917.78)	(7,402.43)
Pre-acquisition period interest paid on purchase of bonds	(27.24)	-
Interest received on debentures	0.70	0.48
Doubtful loan realised	18.39	-
Interest realised on loan (exceptional items)	149.05	-
Dividend received on non current investments	472.27	493.89
Net cash from/(-) used in investing activities..... B	380.93	315.08

PNB FINANCE AND INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	For the year ended 31.03.2019 (₹ in lakhs)	For the year ended 31.03.2018 (₹ in lakhs)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(19.20)	(19.20)
Dividend distribution tax paid	(3.94)	(3.91)
Net cash from/(-)used in financing activities..... C	(23.14)	(23.11)
Net increase/(-) decrease in cash and cash equivalents (A+B+C)	0.94	(15.40)
Cash and cash equivalents at the beginning of the year	8.59	23.99
Total cash and cash equivalents at the end of the year	9.53	8.59
Components of cash and cash equivalents:		
Cash on hand	0.11	0.10
Balances with scheduled bank:		
In current accounts	9.42	8.49
Total	9.53	8.59

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 28, 2019

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Shweta Saxena

Company Secretary

Membership No. A18585

Rakesh Dhamani

Director

DIN: 07065199

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

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 comprise of the financial statements of PNB Finance and Industries Limited ('the Company') and its wholly owned subsidiaries (hereinafter collectively referred to as the 'Group'). The consolidated financial statements have been prepared on the following basis:

- i) The consolidated financial statements of the Company and its 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) The financial statements of the Company and its subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2019.
- iii) 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 Subsidiary cos. which are considered and 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 at the end of the year	
		2018-19	2017-18
	Subsidiary company (Indian)		
1	Punjab Mercantile and Traders Ltd.	100%	100%
2	Jacaranda Corporate Services Ltd.	100%	100%

1.3. Investments other than in subsidiaries 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 Property, Plant & Equipments

Property, Plant & Equipments (PPE) (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 PPEs 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 PPEs 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 PPEs 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 Property, Plant & Equipments(PPE) is 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 PPEs during the year, Depreciation on those PPEs have been provided for on a pro rata basis from the date of such addition or, as the case may be, up to the date of deletion of such asset.

1.9 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 investment individually.

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 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 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.

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 Tax Expense and Provision for Taxation

Tax expense comprises Current Tax, Earlier Year Tax and Deferred Tax.

The provision for Current Tax 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.

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.

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.

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 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.

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”.

2.2 Earnings per share

Particulars	As at	
	March 31, 2019	March 31, 2018
Net profit/(loss) attributable to equity shareholders (in Laacs) (A)	1600.82	1256.51
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)	50.03	39.27

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

Contingent liabilities and commitments for group not provided for during the year is ₹ Nil
(Previous year - ₹ Nil).

2.4 MAT credit entitlement

The group has accounted for and utilized MAT credit entitlement for a sum of ₹ Nil (previous year ₹ 51.22 lakh) which is to the extent of MAT credit allowable for adjustment during the year against normal tax provision. The group has not recognized eligible 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 Employee benefits:

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

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

a) Defined contribution plan :

Employer’s contribution to PF ₹ **1.03 lakh** /- (P.Y. ₹ 1.03 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)	
	31.03.19	31.03.18	31.03.19	31.03.18
Discounting rate	7.65% p.a.	6.50% p.a.	7.65% p.a.	6.50% p.a.
Future salary increase	8.00% p.a.	6.50% p.a.	8.00% p.a.	6.50% 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	18.92 years	19.92 years	18.92 years	19.92 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)	
	31.03.19	31.03.18	31.03.19	31.03.18
Present value of obligation (PBO) as at the beginning of year	3.89	4.18	2.19	3.55
Past service cost	-	-	-	-
Current service cost	0.43	0.42	0.23	0.24
Interest cost	0.25	0.28	0.14	0.23
Benefits paid	-	-	-	-
Actuarial (gain)/loss	(0.04)	(0.99)	(0.18)	(1.83)
Present value of obligation(PBO) as at the end of year	4.53	3.89	2.38	2.19

d) Movement in the liability recognised in the consolidated balance sheet:

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment (Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Carrying amount at the beginning of the year	3.89	4.18	2.19	3.55
Additional provisions made/(-) reversed during the year	0.64	(0.29)	0.19	(1.36)
Amount used during the year	-	-	-	-
Carrying amount at the end of the year	4.53	3.89	2.38	2.19

e) Expenses recognised in the consolidated statement of profit & loss :

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment (Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Current service cost	0.43	0.42	0.23	0.23
Past service cost	-	-	-	-
Interest cost	0.25	0.28	0.14	0.24
Expected return on plan assets	-	-	-	-
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(0.04)	(0.99)	(0.18)	(1.83)
Expenses recognized in the statement of profit & loss	0.64	(0.29)	0.19	(1.36)

f) Reconciliation statement of expenses in the consolidated statement of profit & loss:

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment (Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Present value of obligation as at the end of period	4.53	3.89	2.38	2.19
Present value of obligation as at the beginning of the period	3.89	4.18	2.19	3.55
Benefits paid	-	-	-	-
Actual return on plan assets	-	-	-	-
Acquisition adjustment	-	-	-	-
Expenses recognized in the statement of profit & loss	0.64	(0.29)	0.19	(1.36)

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave encashment (Non-funded)	
	31.03.19	31.03.18	31.03.19	31.03.18
Current liability	0.09	0.08	0.05	0.04
Non-current liability	4.44	3.81	2.33	2.15
Total PBO at the end of the year	4.53	3.89	2.38	2.19

2.6 Segment reporting

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

2.7 Related party disclosures

Disclosure of related parties & related party transactions entered into during the year:

(a) Related parties and nature of relationship :

(i) Related parties, where control exists:

Name of the company	Relationship
Punjab Mercantile and Traders Limited	Subsidiary Company
Jacaranda Corporate Services Limited	Subsidiary Company

(ii) Other related parties, where there have transactions :

Name of the person	Relationship
Mr. Govind Swarup	Director
Mr. Mukesh Gupta	Director (upto 15-04-2018)
Mr. Ashish Verma	Director
Mrs. Saumya Agarwal	Director
Mrs. Shweta Saxena	KMP (Company Secretary)
Mrs. Vijaya Agarwal	KMP (Manager) (upto 31-03-2018)
Mr. Vijay Kumar Bakshi	KMP (Manager) (w.e.f. 01-04-2018)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

(b) 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Mr. Govind Swarup	Sitting fees	4.00	3.00	-	-
Mr. Mukesh Gupta	Sitting fees	-	2.20	-	-
Mr. Ashish Verma	Sitting fees	2.00	2.00	-	-
Mrs. Saumya Agarwal	Sitting fees	1.00	1.00	-	-
Mr. Viveka Nand Jha	Remuneration	13.10	11.49	-	-
Mrs. Shweta Saxena	Remuneration	18.32	16.12	-	-
Mrs. Vijaya Agarwal	Remuneration	-	0.12	-	-
Mr. Vijay Kumar Bakshi	Remuneration	0.12	-	-	-

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- 2.8 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 group, there are no outstanding dues to such enterprises. Further, the detail of amounts outstanding to micro, small & medium enterprises based on information available with the Company is as under:

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due and remaining unpaid	Nil	Nil
Interest due on above and the unpaid Interest	Nil	Nil
Interest paid	Nil	Nil
Payment made beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil
Amount of further interest remaining due and payable in succeeding year	Nil	Nil
Total	Nil	Nil

- 2.9 Foreign exchange earnings and outgo during the year by group are as follows:-

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

- 2.10 The movement in provision for diminution in the value of investment in case of group is as under:

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for diminution as at the beginning of the year	9.08	9.08
Add: provision made during the year	-	-
Less: provision no longer required, written back	-	-
Provision for diminution as at the end of the year	9.08	9.08

- 2.11 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries with its parent: -

Name of the entities in the consolidated financial statements	Net Assets, i.e., total assets minus total liabilities as at March 31, 2019		Share in profit or loss for the year ended March 31, 2018	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or loss	Amount (₹ In Lakhs)
1	2	3	4	5
Parent (Indian)				
PNB Finance and Industries Limited	72.96%	9,756.96	66.94%	1,071.58
Subsidiary companies (Indian)				
Jacaranda Corporate Services Limited	26.26%	3,512.59	32.15%	514.60
Punjab Mercantile and Traders Limited	0.78%	104.30	0.91%	14.64
Minority interests in all subsidiaries	-	-	-	-
TOTAL	100.00%	13,373.85	100.00%	1,600.82

- 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

	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
Share capital		
Equity share capital		
Authorised Share capital		
50,00,000 (P.Y. -50,00,000) Equity Shares of ₹ 10/-each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
Issued share capital		
32,00,000 (P.Y. -32,00,000) Shares of ₹ 10 each	320.00	320.00
	<u>320.00</u>	<u>320.00</u>
Issued, subscribed & fully paid share capital		
a) 8,01,288.5 (P.Y. - 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 (P.Y.-23,98,711.5) shares of ₹ 10 each fully paid up. (Including 131 equity shares of ₹ 10 each in the form of fractional coupons)	239.87	239.87
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. March 31, 2019.
- 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 March 31, 2019 (March 31, 2018 : ₹ 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. Detail of Shareholders holding more than 5 % shares in the Company (in numbers)

Name of Shareholder's	As at 31.3.2019	As at 31.3.2018
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

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Particulars	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
4 Reserve & surplus		
I. General reserve		
As per last balance sheet	2,655.16	2,595.49
Add:- Additions during the year	122.92	64.86
Less : Adjustment due to De-Subsidiarisation	-	5.19
	<u>2,778.08</u>	<u>2,655.16</u>
II. Special reserve U/s 45 -IC of RBI Act, 1934		
As per last balance sheet	1,712.36	1,517.27
Add:- Additions during the year	209.69	202.23
Less : Adjustment due to De-Subsidiarisation	-	7.14
	<u>1,922.05</u>	<u>1,712.36</u>
III. Share premium	103.91	103.91
IV. Surplus		
As per last balance sheet	7,004.74	6,066.67
Add:- profit after tax for the year	1,600.82	1,256.51
Less:- Adjustment due to DE-Subsidiarisation	-	28.24
Less:- Transfer to general reserve	122.92	64.86
Less:- Transfer to special reserve	209.69	202.23
Less:- Dividend paid	19.20	19.20
Less:- Dividend distribution tax paid	3.94	3.91
Net surplus	<u>8,249.81</u>	<u>7,004.74</u>
Total (I+II+III+IV)	<u>13,053.85</u>	<u>11,476.17</u>
5 Long term provisions		
Provision for employee benefits		
for leave encashment	2.33	2.15
for gratuity	4.44	3.81
Total	<u>6.77</u>	<u>5.96</u>
6 Other current liabilities		
Others		
TDS payable	0.60	0.25
GST payable	0.07	0.22
Provident fund payable	0.18	0.18
Unpaid dividend	3.75	4.05
Total	<u>4.60</u>	<u>4.70</u>
7 Short term provisions		
Provision for employee benefits		
- for leave encashment	0.05	0.04
- for gratuity	0.09	0.08
Provision for income tax (net of advance tax)	3.63	-
Total	<u>3.77</u>	<u>0.12</u>

PNB FINANCE AND INDUSTRIES LIMITED

8 Property, plant and equipment

(₹ in lakhs)

Particulars	Gross carrying value				Depreciation reserve				Net carrying value	
	As on 1.04.2018	Additions during the year	Deductions during the year	As on 31.03.2019	Upto 31.03.2018	For the year	Deductions/ Adjustment during the year	Upto 31.03.2019	As on 31.03.2019	As on 31.03.2018
Tangible Assets Office Equipment (Computers & Others)	3.77	1.14	0.74	4.17	3.62	0.57	0.74	3.45	0.72	0.15
Total	3.77	1.14	0.74	4.17	3.62	0.57	0.74	3.45	0.72	0.15
Previous Year	3.77	-	-	3.77	3.47	0.15	-	3.62	0.15	0.30

9 Non current investment

No of shares/ bonds/units** 31.03.2019	No of shares/ bonds/units** 31.03.2018	Particulars	Face value per share/bond/ unit (In ₹)	*Book value as at 31.03.2019 (₹ in lakhs)	*Book value as at 31.03.2018 (₹ in lakhs)
		(Long Term - Other than trade - At cost, unless stated otherwise)			
		(A) Equity Shares- Quoted			
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	Sahu Jain Ltd.@	10	-	0.45
-	92,000	Combine Holding Ltd.@	10	-	6.11
-	59,100	Ashoka Viniyoga Ltd.@	10	-	5.91
1,219,140	1,219,140	HDFC Bank Ltd.	2	140.90	140.90
				154.40	166.87
		Less: Provision for Diminution in Value of Investments***		5.07	5.07
		Sub total (A)		149.33	161.80
		(B) Equity Shares - Unquoted			
52,297,848	52,297,848	Bennett, Coleman & Co Ltd.	10	26.98	26.98
4,900	-	- Sahu Jain Ltd.@	10	0.45	-
92,000	-	- Combine Holding Ltd.@	10	6.11	-
59,100	-	- Ashoka Viniyoga Ltd.@	10	5.91	-
23,500	23,500	Excel Publishing House Ltd.	10	4.76	4.76
19,800	19,800	Pearl Printwell Ltd.****	10	4.01	4.01
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	-	-
				76.02	63.55
		Less: Provision for Diminution in Value of Investments****		4.01	4.01
		Sub total (B)		72.01	59.54
		(C) Debentures - Unquoted			
-	6,000	Arcus Ltd. (Formerly Known as Parshva Properties Ltd.)	100	-	3.23
		Sub total (C)		-	3.23
		(D) Bond - Quoted			

PNB FINANCE AND INDUSTRIES LIMITED

No of shares/ bonds/units** 31.03.2019	No of shares/ bonds/units** 31.03.2018	Particulars	Face value per share/bond/ unit (In ₹)	*Book value as at 31.03.2019 (₹ in lakhs)	*Book value as at 31.03.2018 (₹ in lakhs)
100		- 9.56%, State Bank of India Perpetual Bond (Call date : 04-12-2023)	1,000,000	1,004.41	-
		Sub total (D)		1,004.41	-
		(E) Mutual Fund - Quoted			
5,000,000		- Kotak FMP Series 251 - 1265 Days Direct Plan Growth (Maturity Date -10-05-2022)	10	500.00	-
1,450,000		- Reliance Fixed Horizon Fund-XXXVII Series IV-Growth- Direct (Maturity Date -05-04-2022)	10	145.00	-
		Sub total (E)		645.00	-
		(F) Mutual Funds - Unquoted			
1,920,312	1,920,312	Aditya Birla Sun Life Corporate Bond Fund -Direct-Growth (Earlier Aditya Birla Sun Life Short Term Fund -Direct- Growth)	10	1,147.50	1,147.50
-	2,505,868	Aditya Birla Sun Life Short Term Oppurtunities Fund -Direct Plan - Growth	10	-	600.00
26,895		- Axis Treasury Advantage Fund- Direct Growth	1000	565.03	-
-	8,939,646	HDFC Banking & PSU Debt Fund Direct Plan -Growth	10	-	1,190.00
-	4,062,796	HDFC Corporate Debt Oppurtunities Fund -Direct -Growth	10	-	467.20
557,474	614,057	HDFC Floating rate fund-Short Term - Direct Plan -Growth	10	131.46	144.77
1,920,715		- HDFC Low Duration Fund- Direct Plan- Retail- Growth	10	762.09	-
4,486,508	4,486,508	ICICI Prudential Short Term Plan-Direct Plan-Growth	10	1,585.40	1,585.40
1,042		- ICICI Prudential Saving Fund- Direct - Growth	100	3.50	-
3,308,332	3,308,332	IDFC Corporate Bond Fund -Direct-Growth	10	360.00	360.00
5,772,787	5,772,787	IDFC Bond Fund- MTP-Direct Growth (Earlier IDFC Super Savings Income Fund - MTP)	10	1,652.00	1,652.00
5,008,774	5,008,774	Kotak Bond Short Term -Direct Plan-Growth	10	1,589.44	1,589.44
8,179,921		- Kotak Saving Fund -Direct Plan-Growth		2,446.13	-
-	6,226,776	Reliance Credit Risk Fund - Direct - Growth (Earlier Reliance Regular Savings Fund - Debt Plan)	10	-	1,239.57
-	897,256	Reliance Floating Rate Fund - Direct -Growth (Earlier Reliance Floating Rate Fund -Short Term Plan)	10	-	247.00
-	4,310,324	UTI Dynamic Bond Fund -Direct Plan - Growth	10	-	690.94
-	4,474,909	UTI Credit Risk Fund - Direct - Growth (Earlier UTI Income Oppurtunities Fund)	10	-	598.00
41		- UTI Liquid Cash Plan - Direct Growth	1000	1.21	-
47,446		- UTI Treasury Advantage Fund -Direct Plan -Growth	1000	1,200.32	-
		Sub total (F)		11,444.08	11,511.82
		Total Quoted (A+D+E)		1,798.74	161.80
		Total Unquoted (B+C+F)		11,516.09	11,574.59
		Grand Total (A+B+C+D+E+F)		13,314.83	11,736.39
		Aggregate Market Value of Quoted Investments \$		30,583.76	23,900.94
		Aggregate Value of Provision for diminition of Investments (Quoted & Unquoted)		9.08	9.08

* 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, 02, 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 October 17, 2014 Company has received the Equity Shares of Times Internet Ltd. in the ratio of 100:96 for the equity shares held in Times Business Solutions Ltd.

** Units are rounded off to the nearest unit.

\$ 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.

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

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2019 (₹ in lakhs)	As at 31.3.2018 (₹ in lakhs)
10 Deferred tax assets		
Assets on account of		
Carried forward losses under the Income tax Act	-	28.71
Accrued expenses allowable on payment basis	1.92	1.69
Difference in depreciation	0.02	0.02
	<u>1.94</u>	<u>30.42</u>
11 Long term loans and advances		
Unsecured, considered good		
Advance income tax / TDS (net of tax provisions)	28.27	28.37
Deposit with custodian (CDSL) & RTA	0.32	-
Total	<u>28.59</u>	<u>28.37</u>
12 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.11	0.10
Bank balances		
Balances with HDFC Bank Ltd., New Delhi (current account)	9.42	8.49
	<u>9.53</u>	<u>8.59</u>
Other bank balances		
Unclaimed dividend accounts with HDFC Bank Ltd. New Delhi	3.74	4.05
Total	<u>13.27</u>	<u>12.64</u>
13 Short term loans and advances		
Unsecured, considered good		
Prepaid expenses	0.22	0.08
Advance income tax / TDS (net of tax provisions)	0.02	-
Total	<u>0.24</u>	<u>0.08</u>
14 Other current assets		
Unsecured loan (considered doubtful)	-	18.39
Less : provision for doubtful debts	-	18.39
	<u>-</u>	<u>-</u>
Interest accrued	30.91	0.21
Total	<u>30.91</u>	<u>0.21</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.3.2019 (₹ in lakhs)	For the year ended 31.3.2018 (₹ in lakhs)
15 Other income		
Dividend income on non current (Long Term) investment	472.27	493.89
Profit on sale of non current (Long Term) investments	1,347.33	1,042.49
Interest on bonds & debentures (Long Term)	4.15	0.48
Provision for doubtful debts written back	18.39	-
Excess provision written back	-	1.67
Miscellaneous income	0.08	0.02
Total	<u>1,842.22</u>	<u>1,538.55</u>
16 Employee benefit expenses		
Salaries	33.48	29.40
Contribution to provident and other funds	1.14	1.15
Provision for gratuity and leave encashment	0.83	-
Staff welfare expenses	0.88	0.78
Total	<u>36.33</u>	<u>31.33</u>

PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.3.2019 (₹ in lakhs)	For the year ended 31.3.2018 (₹ in lakhs)
17 Other expenses		
Director's sitting fee	7.00	8.20
Legal and professional charges	4.24	7.98
Filing fees	0.15	0.09
Printing & stationery	1.19	1.90
Postage & telephone charges	0.85	1.06
Travelling & conveyance expenses	4.87	4.18
Advertisement expenses	0.72	0.39
AGM expenses	1.14	0.76
Listing fees	0.29	0.29
Custodian fess	0.59	0.21
Document storage charges	0.32	1.62
GST/Service tax paid under reverse charge	1.45	1.98
Software charges	0.39	3.53
Manager remuneration	0.12	0.12
Advances/assets written off	-	2.80
Auditor`s remuneration (inclusive of GST) :		
- as audit fees	0.89	0.89
- for certification & out of pocket expenses	0.18	0.19
Miscellaneous expenditure	0.25	0.15
Total	24.64	36.33

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 28, 2019

for and on behalf of the Board of Directors

Govind Swarup

Director

DIN: 00003145

Shweta Saxena

Company Secretary

Membership No. A18585

Rakesh Dhamani

Director

DIN: 07065199

Viveka Nand Jha

Chief Financial Officer

PAN - AEXPJ2176H

PNB FINANCE AND INDUSTRIES LIMITED

CIN:L65929DL1947PLC001240

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

ATTENDANCE SLIP

**124th Annual General Meeting
2018 - 2019**

No. of Share	
Folio No./ Client Id:	
DP Id	

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

I hereby record my presence at the 124th Annual General Meeting of the Company held on Tuesday, the 17th day of September, 2019 at 10:30 A.M. at Institute of Engineer Bhawan, 2nd Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002

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

e-mail: pnbfinanceindustries@gmail.com

website: www.pnbfinanceandindustries.com

124th Annual General Meeting - September 17, 2019

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 124th Annual General Meeting of the Company, to be held on the 17th day of September, 2019 at 10:30 A.M. at Institute of Engineer Bhawan, 2nd Bahadur Shah Zafar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.

Ordinary business

1. Adoption of audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and auditors thereon.
2. Approval of dividend for the financial year ended March 31, 2019.

Special business:

3. Re-appointment of Mr. Mohit Jain (DIN: 01315482) as Non-Executive Independent Director for a second term.
4. Re-appointment of Mr. Ashish Verma (DIN: 06939565) as Non-Executive Independent Director for a second term.

Signed this..... day of..... 2019

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.



