

123<sup>rd</sup>

# ANNUAL REPORT

---

2017-2018

**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, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020  
Tel : +91-11- 26812682/83  
E-mail : viren@skylinerta.com

**REGISTERED OFFICE**

CIN: L65929DL1947PLC001240  
1<sup>st</sup> Floor, Express Building, 9-10,  
Bahadur Shah Zafar Marg, New Delhi-110002  
Tel : 011-39843340/41  
E-mail : pnbfinanceindustries@gmail.com  
Website: www.pnbfinanceandindustries.com

# PNB FINANCE AND INDUSTRIES LIMITED

## PNB FINANCE AND INDUSTRIES LIMITED

CIN: L65929DL1947PLC001240

Registered Office: 1<sup>st</sup> Floor, Express Building, 9-10,  
Bahadur Shah Zafar Marg, New Delhi-110002

Tel: 011-39843340/41

Website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

email: [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com)

### NOTICE

NOTICE is hereby given that the 123<sup>rd</sup> Annual General Meeting of the members of PNB Finance and Industries Limited will be held on Thursday, September 27, 2018 at 10:30 AM at Institute of Engineer Bhawan, 2<sup>nd</sup> Bahadur Shah Zagar 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 the consolidated financial statements) of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors ('the Board') and auditors thereon.
2. To declare a dividend of ₹ 0.60 per equity share for the financial year ended March 31, 2018.

#### **Special business:**

3. To approve appointment of Mr. Rakesh Dhamani (DIN: 07065199) as Non-Executive Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 161 read with Schedule IV of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, Mr. Rakesh Dhamani (DIN: 07065199) who was appointed as an Additional Director of the Company, designated as Independent Director, by the Board of Directors in their meeting held on April 16, 2018 in terms of Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of

Director, be and is hereby appointed as Non-Executive Independent Director of the Company for a period of 5 (Five) consecutive years effective from April 16, 2018 upto April 15, 2023, not liable to retire by rotation.”

4. To approve appointment of Mr. Vijay Kumar Bakshi as Manager of the Company and in this regard to consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof and subject to the approval of Ministry of Corporate Affairs, if required, the Company hereby approves the appointment of Mr. Vijay Kumar Bakshi, as 'Manager' of the Company for a period of 3 (three) years effective from April 1, 2018 at a Gross Remuneration of ₹ 12,000/- (Rupees twelve thousand only) per annum and on such other terms and conditions as mentioned in the letter of appointment.

**RESOLVED FURTHER THAT** the appointment of Mr. Vijay Kumar Bakshi as a Manager of the Company shall at all time be under the supervision and control of the Board.

**RESOLVED FURTHER THAT** the Board of Directors, which term shall include Committees(s) of the Board be and is hereby authorized to alter and vary from time to time during the current tenure of appointment of Mr. Vijay Kumar Bakshi, the terms and conditions and/or remuneration in such a manner as in the best interest of the Company, in accordance with the laws from time to time in force and acceptable to Mr. Vijay Kumar Bakshi, provided that the remuneration after such alteration shall not exceed the limits prescribed under Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** all Directors of the Company and Company Secretary be and are hereby severally authorized to do all such acts and deeds as may be necessary, expedient or desirable, in order to give effect to this resolution or otherwise as considered by them to be in the best interest of the Company.”

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 29, 2018*

### NOTES:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 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 and secretarial standard on general meetings in respect of director seeking 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 Friday, September 21, 2018 to Thursday, September 27, 2018 (both days inclusive) for the purpose of payment of dividend and 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 20, 2018.
3. A member entitled to attend and vote at the meeting 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 meeting. The proxy form should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.
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. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of auditors, who were appointed in the AGM held on September 22, 2015.
8. Members/proxies/authorised representatives attending the AGM should bring along with them necessary details of their shareholding, 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.
9. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts and Arrangements in which directors are interested shall be kept open at the venue of AGM of the Company.
10. Dividend recommended by the Board of Directors, if declared by the members at the AGM, will be paid to those members whose names appear on the Register of Members on the record date fixed for the purpose i.e. September 20, 2018. 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.
11. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of bank account details to their respective depository participant(s). We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
12. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent- Skyline Financial Services (P) Ltd.
13. 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.
14. Pursuant to the provisions of Section 124 of the Companies Act, 2013 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 fund on September 03, 2018. Details of shares transferred and due to be transferred to the 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.
15. 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](http://www.pnbfinanceandindustries.com) for the procedure to claim back.
16. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a

cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

17. In terms of Section 72 of the Companies Act, 2013 the shareholders can exercise their right to nominate any person in whom the securities held by such shareholder shall vest in the event of the death of such shareholder.
18. 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.
19. Copies of the Annual Report 2018, Notice of 123<sup>rd</sup> Annual General Meeting 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.
20. The physical copies of the Annual Report 2018 and Notice of 123<sup>rd</sup> Annual General Meeting will also be available at the Company's registered office for inspection during normal business hours on working days. The said documents are also available on the Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com). Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com).

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

### Item No. 3

The Board, on the recommendation of the nomination and remuneration committee, in its meeting held on April 16, 2018 had appointed Mr. Rakesh Dhamani as an Additional Director of the Company designated as Independent Director w.e.f. April 16, 2018. In terms of the provisions of Section 161(1) of the Companies Act, 2013 (the Act), Mr. Dhamani would hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from Member under Section 160 of the Act

proposing the candidature of Mr. Dhamani for the office of Director of the Company. Mr. Dhamani is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. Accordingly, it is proposed to appoint Mr. Rakesh Dhamani as Non-Executive Independent Director to hold office for 5 (five) consecutive years, not liable to retire by rotation.

The Company has also received declaration from Mr. Dhamani that he meets the criteria of independence as prescribed both under Section 149 (6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Mr. Dhamani, as required under regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided as part of the Notice.

Copy of draft letter of appointment of Mr. Dhamani as setting out terms and conditions is available for inspection by members at the registered office of the Company. Mr. Dhamani is interested in the resolution set out at item no. 3 of the Notice with regard to his 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 resolution.

The Board recommends the ordinary resolution set out at item no. 3 of the Notice for approval by the members.

### Item No. 4

The Board, on the recommendation of nomination and remuneration committee, subject to the members approval, had appointed Mr. Vijay Kumar Bakshi as Manager of Company for a period of 3 (three) years w.e.f. April 1, 2018 and on such remuneration and terms and conditions as mentioned in the letter of appointment.

The terms of appointment of Mr. Vijay Kumar Bakshi as Manager is recommended for members approval under Section 196 and 197 read with Schedule V of the Act.

The Directors in compliance with the provisions of Section 196, 197, 203 and Schedule V of the Act, recommend the proposed resolution to the members to be passed as an ordinary resolution.

Copy of draft letter of appointment of Mr. Bakshi as Manager setting out terms and conditions is available for inspection by members at the registered office of the Company. Mr. Bakshi is interested in the resolution set out at item no. 4 of the Notice with regard to his 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 resolution.

The Board recommends the ordinary resolution set out at item no. 4 of the Notice for approval by the members.

## PNB FINANCE AND INDUSTRIES LIMITED

### Information about Director/Manager recommended for appointment at the Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings

#### Item No. 3:

<b>Name of director recommended for appointment</b>	Mr. Rakesh Dhamani (DIN: 07065199)
<b>Date of birth</b>	October 02, 1964 (Age : 54 years)
<b>Date of appointment</b>	April 16, 2018
<b>Qualification</b>	CA, CWA, CS, EGMP from IIM Bangalore
<b>Expertise in specific functional area</b>	Over 25 years in accounts, finance, taxation and corporate management
<b>Directorship on other Boards as on May 29, 2018</b>	1. Times Foundation for Social Justice Benefit & Welfare 2. GenNext Trusteeship Company Private Limited 3. Amrit Varsha Foundation
<b>Membership/chairmanship of committees of other companies</b>	None
<b>Relationship with other directors/manager/KMP's</b>	None
<b>Number of shares held in the Company as on May 29, 2018</b>	Nil
<b>Number of board meetings attended during the year</b>	N.A.
<b>Terms and conditions of appointment</b>	As per resolution No. 3 of the Notice convening the Annual General Meeting on September 27, 2018 read with the explanatory statement thereto, Mr. Rakesh Dhamani is proposed to be appointed Non-Executive Independent Director, not liable to retire by rotation
<b>Remuneration last drawn</b>	N.A.
<b>Remuneration proposed to be paid</b>	NIL, Mr. Rakesh Dhamani has waived off his entitlement to sitting fees vide letter dated April 16, 2018
<b>Justification of appointment</b>	Mr. Rakesh Dhamani has over 25 years of experience in accounts, finance, taxation and corporate management.

#### Item No. 4:

<b>Name of manager recommended for appointment</b>	Mr. Vijay Kumar Bakshi
<b>Date of birth</b>	July 06, 1957 (Age : 61 years)
<b>Date of appointment</b>	February 12, 2018
<b>Qualification</b>	Commerce Graduate
<b>Expertise in specific functional area</b>	26 years of experience in accounts
<b>Directorship on other Boards as on May 29, 2018</b>	NIL
<b>Membership/chairmanship of committees of other companies</b>	NIL
<b>Relationship with other directors/KMP's</b>	NIL
<b>Number of shares held in the Company as on May 29, 2018</b>	NIL
<b>Number of board meetings attended during the year</b>	N.A.
<b>Terms and conditions of appointment</b>	As per the appointment letter dated February 12, 2018
<b>Remuneration last drawn</b>	N.A.
<b>Remuneration proposed to be paid</b>	₹ 12,000 p.a.

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 29, 2018

## BOARD'S REPORT

Your directors feel immense pleasure in presenting the 123<sup>rd</sup> Annual Report of the Company together with financial statements (standalone and consolidated) and auditors' report thereon for the financial year ended March 31, 2018.

### Financial performance

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

(₹ Lakhs)

Particulars	Standalone results		Consolidated results	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Total income	1294.96	408.12	1538.55	688.05
Total expenditure	63.17	73.79	67.81	85.27
Exceptional items-provision made/written back for diminution in the value of investments	-	(1.05)	-	(1.05)
Profit/(loss) before tax	1231.79	335.38	1470.74	603.83
Less: provision for taxation	226.46	10.97	249.99	49.79
Current tax (MAT)	(44.36)	(4.78)	(51.22)	(17.39)
Deferred tax charge/(credit)	15.46	(1.20)	15.46	(1.20)
Profit/(loss) after tax	1034.23	330.39	1256.51	572.63

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 2017-18 is ₹ 1256.51 Lakh, out of which ₹ 222.28 Lakh relates to its Subsidiary Companies, amounting to 17.69% 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 appointment: Mr. Rakesh Dhamani has been appointed as an additional director designated as Independent director w.e.f. April 16, 2018.
- Manager appointment: Mr. Vijay Kumar Bakshi has been appointed as Manager of the Company w.e.f. April 1, 2018

- Independent director resignation: Mr. Mukesh Gupta has resigned from the directorship w.e.f. April 16, 2018.

### 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, 2018.

### Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 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 dividends 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 ₹ 71,946. Further, 27,145 shares were transferred as per the requirements of IEPF rules. The details are available on our website at [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

### Reserves

The Board proposes to carry a sum of ₹ 20 lakh to general reserves of the Company and ₹ 202.23 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 2018-19.

### Directors and key managerial personnel

#### Change in directors and key managerial personnel

##### Cessation

Mr. Mukesh Gupta ceased to be the director of the Company w.e.f. April 16, 2018 due to his other pre-occupations.

The tenure of Ms. Vijaya Agarwal, Manager of the Company was expired on March 31, 2018 and she has expressed her unwillingness to be reappointed for a further term and has tendered her cessation to act as manager of the Company at the expiry of the contract.

The Board places on record their deep appreciation for the valuable contribution made by them during their tenures as member of Board/manager of the Company.



## ***Appointments***

Pursuant to the provisions of Section 149, 152, 161 and other applicable provisions of the Companies Act, 2013, Mr. Rakesh Dhamani has been appointed as an additional director of the Company w.e.f. April 16, 2018, designated as Independent Director and holds office upto the date of ensuing Annual General Meeting (AGM). Further, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Rakesh Dhamani for the appointment in the capacity of Non-Executive Independent director of the Company, not liable to retire by rotation in the ensuing AGM.

The Board of directors at its meeting held on February 12, 2018 subject to the approval by shareholders in the ensuing AGM has appointed Mr. Vijay Kumar Bakshi as Manager of the Company effective April 01, 2018.

## **Board evaluation**

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual evaluation of its own performance, the directors individually as well the evaluation of the working of its audit, nomination & remuneration, corporate social responsibility and stakeholder 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 Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## **Number of meetings of the Board of Directors**

During the year under review, five (5) meetings of the Board and one independent directors' meeting were duly convened and held. The gap between the any two meetings of the Board of Directors did not exceed 120 days.

For details of the meeting of the Board, please refer to the corporate governance report, which forms part of this annual 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](http://www.pnbfinanceandindustries.com)

## **Committees of the Board**

In compliance with various requirements of the Companies Act, 2013 and SEBI Listing (Obligations and Disclosure Requirements) Regulations 2015, your Board has constituted various board committees including audit committee, nomination & remuneration committee, stakeholders relationship committee and corporate social responsibility committee. Details of the constitution of these committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. [www.pnbfinanceandindustries.com](http://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 Annual 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 stated in the Corporate Governance Report.

## **Subsidiaries**

During the year under review, Punjab Properties Limited ceased to be the subsidiary of the Company. As on March 31, 2018, the Company has two wholly owned subsidiaries namely Punjab Mercantile and Traders Limited and Jacaranda Corporate Services Limited.

All the subsidiaries of the Company are unlisted and Jacaranda Corporate Services Limited is material unlisted subsidiary as per Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The consolidated financial statements and financial statements of the subsidiary companies will be available on Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com) and also be kept open for inspection on all working days except Saturdays, during the business hours, at the registered office of the Company.

The Company has prepared the consolidated financial statements for the year ended March 31, 2018 as per the provisions of applicable accounting standards and under relevant provisions of the Companies Act, 2013. Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014,

a statement containing salient features of the financial statement of subsidiary companies as specified in PART A of AOC 1 is annexed as **Annexure –I**.

## **Management discussion and analysis report**

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

## **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**

The annual return has been placed on the website of the Company and can be accessed at [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

## **Auditors**

### **Statutory auditors**

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

The Company has received certificate of eligibility from M/s Awatar & Co. in accordance with the provisions of the Companies Act, 2013 read with rules thereunder and a confirmation that they continue to hold valid Peer Review Certificate as required under Listing Regulations.

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

Further, the auditors of the Company have not reported any instances of fraud under Section 143 (12) of the Companies Act, 2013 during financial year under review.

## **Secretarial auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Nityanand Singh & Co (CP No.: 2388), Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure- II**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **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.

## **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 Companies Act, 2013 are applicable to the Company. Accordingly, the Company is required to spend an amount of ₹ 16.71 Lakh on CSR activities for the financial year ending March 31, 2018.

The CSR policy may be accessed on the Company's website : [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

CSR Report is annexed as **Annexure-III**, forming part of this report.

## **Corporate governance**

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

The report on corporate governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite certificate from M/s Nityanand Singh & Co., Company Secretaries confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Schedule V, is attached to this Annual report as **Annexure- IV**.

**Particulars of employees**

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

No remuneration has been paid to the Directors during the financial year 2017-18. 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 is 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 2017-18 is 9.67%.

The remuneration paid to all key managerial personnel was in accordance with the remuneration policy adopted by the Company. None of the above named employees holds the 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 2017-18**

S. No.	Name of the employee & age (in years)	Designation and nature of employment	Remuneration received in financial year ended March 31, 2018 (in lakh)	Educational Qualifications	Experience (in years)	Date of commencement	Previous employment	% increase in remuneration in the financial year 2017-18
1.	Shweta Saxena Age: 37	Designation: Company Secretary Nature: Permanent	16.41	B.Com(H), ACS, LLB, PGDBA (Finance)	13	July 28, 2008	Uniproducts India Limited	8.38
2.	Viveka Nand Jha Age: 39	Designation: CFO Nature: Permanent	11.49	B.Com(H), LLB, PGDBA (Finance)	15	July 27, 2009	Jubilant Industries Limited	11.66
3.	Ms. Vijaya Agarwal	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 explained in Corporate governance report and also available on the website of Company: [www.pnbfinanceandindustries.com](http://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 Companies Act, 2013 and regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However in terms of AS 18, remuneration paid to KMP's and sitting fees paid to directors is disclosed in the notes to financial statements.

The policy on Related Party Transactions is available at the website of the Company : [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)

None of the directors has any pecuniary relationships or transactions vis-à-vis 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 Companies Act, 2013 that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2018, 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 2017-18 and of the profit and loss 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. However, it has neither invited nor accepted any deposits from the public during the financial year 2017-18.

The Company complies with all the secretarial standards.

## Green initiative

Electronic copies of Annual Report 2018, Notice of 123<sup>rd</sup> Annual General Meeting and instructions slip and proxy form are sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

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

## Acknowledgement

Your directors wish to place on record 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

**MOHIT JAIN**  
Director  
DIN:01315482

Place: New Delhi  
Date: August 10, 2018

# 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 Ltd.	Punjab Mercantile and Traders Ltd.
2	Reporting period of the subsidiary	April 01, 2017 to March 31, 2018	April 01, 2017 to March 31, 2018
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	2977.99	84.66
6	Total assets	2998.08	89.75
7	Total liabilities	0.09	0.09
8	Investments	2993.76	88.07
9	Turnover/total income	242.31	1.28
10	Profit (+) /loss (-) before taxation	240.98	(2.03)
11	Provision for taxation	16.67	-
12	Profit (+) /loss (-) after taxation	224.31	(2.03)
13	Proposed dividend	Nil	Nil
14	% of shareholding	100%	100%
15	Name of subsidiary which have been liquidiated or sold during the year	Punjab Properties Ltd.	

As per our report of even date attached

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

for and on behalf of the Board of Directors

**Sanjay Agrawal**  
Partner  
Membership No. 087786

**Govind Swarup**  
Director  
DIN: 00003145

**Mohit Jain**  
Director  
DIN: 01315482

Place: New Delhi  
Date: May 29, 2018

**Shweta Saxena**  
Company Secretary  
Membership No. A18585

**Viveka Nand Jha**  
Chief Financial Officer  
PAN - AEXPJ2176H

## Annexure II

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March, 2018

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

To,  
The Members,  
**PNB FINANCE AND INDUSTRIES LIMITED**

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit for the financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2018, in accordance to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and the Rules made thereunder to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- V. Other Laws which are applicable to the Company:
  - The “Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015”
  - Non-Banking Financial Company- Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
  - All other Compliances related to NBFC applicable to the Company.

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

- i) Secretarial Standard -1, Secretarial Standard -2 and Secretarial Standard -3 formulated by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.
- iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

The Board of Directors of the Company is 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the period, all the decisions in the Board meetings were carried out unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

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

**For Nityanand Singh & Co.,**  
Company Secretaries

**Nityanand Singh (Prop.)**  
FCS No.: 2668/ CP No. : 2388

*Place : New Delhi*

*Date : 25<sup>th</sup> May, 2018*

**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.**

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**Annexure -A**

To,

The Members

**PNB FINANCE AND INDUSTRIES LIMITED**

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

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

**For Nityanand Singh & Co.,**  
Company Secretaries

**Nityanand Singh (Prop.)**  
FCS No.: 2668/ CP No. : 2388

*Place : New Delhi*

*Date : 25<sup>th</sup> May, 2018*

**Annexure III**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Sr. 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 <a href="http://www.pnbfinanceandindustries.com">www.pnbfinanceandindustries.com</a>
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	₹ 835.55 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 16.71 lakhs
5.	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below:	₹ 16.71 lakhs ₹ 16.71 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	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
-----NIL*-----							

- \*The Company had promoted “Times Foundation for Social Justice Benefit & Welfare”, a company registered under Section 8 of the Companies Act, 2013, to carry out its corporate social responsibility activities. Activities of Times Foundation for Social Justice Benefit & Welfare are in the fields of education, environmental change, society & sustainable development etc. The Committee has received confirmation that the contribution made for the previous years to the Times Foundation for Social Justice Benefit & Welfare has yet to be utilised. The Committee discussed the matter and has decided to evaluate alternative project for the contribution. The Committee is in the process of evaluating various projects. On finalisation of the same, the Committee shall recommend the said projects to the Board for its approval.
- 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 10, 2018

**GOVIND SWARUP**  
**Director (Chairman, CSR Committee)**  
DIN: 00003145

**MOHIT JAIN**  
**Director**  
DIN:01315482



**Annexure IV**

**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

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

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

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

**2. BOARD OF DIRECTORS**

**a) Composition and meetings of directors**

The Board of Directors of the Company has an optimum combination of Non-Executive/ Independent Directors having rich knowledge and experience. The current composition of the Board is in conformity with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013. As on March 31, 2018, the Board consists of five directors. All of them are non-executive independent directors.

During the financial year under review, the Board met five times on May 26, 2017, August 11, 2017, September 26, 2017, November 10, 2017 and February 12, 2018. All the meetings of the Board were chaired by Mr. Govind Swarup or Mr. Ashish Verma, non-executive independent directors of the Company.

Particulars of directors, their attendance at the Annual General Meeting and Board meeting held during the financial year 2017-18 and also their other directorship/ chairmanship held in Indian public companies and membership/ chairmanship of various Board committees of other Indian public companies as at March 31, 2018 are as under:

Name of the Director	Attendance at		No. of directorships in other public companies	No. of committees positions held in other public companies as	
	Board Meeting (Total 5 Meetings)	122 <sup>nd</sup> AGM held on September 26, 2017		Member	Chairman
<b>Non-Executive Independent Directors</b>					
Mr. Govind Swarup	4	Yes	3	NIL	NIL
Mr. Mohit Jain	4	Yes	4	NIL	NIL
Mr. Mukesh Gupta*	5	Yes	2	1	NIL
Mr. Ashish Verma	5	Yes	NIL	NIL	NIL
Ms. Saumya Agarwal	5	Yes	NIL	NIL	NIL
Mr. Rakesh Dhamani*	N.A.				

**Notes:**

- (1) \*Mr. Mukesh Gupta resigned and Mr. Rakesh Dhamani appointed w.e.f. April 16, 2018.
- (2) As required under Regulation 26 of the SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/ chairmanship of the audit committee and stakeholders relationship committee in other Indian public companies (listed and unlisted).

The Company issues formal letters of appointment to Independent directors in the manner as provided in the Companies Act, 2013. 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 Obligations and

Disclosure Requirements) Regulations, 2015, 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.

Further, it has not implemented any Stock Option Scheme.

The details of remuneration paid to the Non-executive directors during the financial year 2017-2018 are as follows:

Name of Director	Sitting fee (in ₹)		
	Board Meeting	Audit Committee Meeting	Stakeholders Relationship Committee Meeting
Mr. Govind Swarup	80,000	80,000	80,000
Mr. Mohit Jain*	NIL	NIL	NIL
Mr. Mukesh Gupta	1,00,000	80,000	N.A.
Mr. Ashish Verma	1,00,000	N.A.	80,000
Ms. Saumya Agarwal	1,00,000	N.A.	N.A.

NA- Not a member of committee

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

As on March 31, 2018, 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 (Obligation and Disclosure Requirements) Regulations, 2015. It also includes the duties of Independent Director as laid down in Companies Act, 2013. The Code is available on the website of the Company: [www.pnbfinanceandindustries.com](http://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) 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.

*Place: New Delhi*  
*Date: May 29, 2018*

**MOHIT JAIN**  
Director  
DIN: 01315482

**GOVIND SWARUP**  
Director  
DIN: 00003145

**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](http://www.pnbfinanceandindustries.com)

**3. COMMITTEES OF THE BOARD**

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

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

**Particulars of Meeting of Board Committees held during financial year 2017-18 along with attendance of the Members at such committee Meeting(s) are detailed herein:**

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

**NA- Not a member of the Committee**

\*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.

Details of Board Committees are as mentioned herein:

**(a) AUDIT COMMITTEE**

**(i) Composition**

As on March 31, 2018, 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. Mukesh Gupta 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 four (4) times i.e. on May 15, 2017, August 11, 2017, November 10, 2017 and February 12, 2018. The gap between any two Committee meetings did not exceed 120 days.

The Chairman of the Audit Committee was present at the Annual General Meeting held on September 26, 2017 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 of Directors for confirmation at its immediately succeeding meeting. Additionally, in compliance with requirements of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee reviews operations of Subsidiary Companies including their financial statements, significant related party transactions and statement of investments.

**(ii) Terms of reference:**

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

**(b) NOMINATION AND REMUNERATION COMMITTEE**

**(i) Composition**

As on March 31, 2018, 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. Mukesh Gupta as its members.

During the financial year ended March 31, 2018, the Committee met two (2) times i.e. on September 6, 2017 and February 2, 2018. The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on September 26, 2017 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 person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
3. Devising a policy on Board diversity;
4. Formulation of criteria for evaluation of Independent Directors and the Board;
5. Ensure that the Board comprises of a balanced combination of Executive Directors and Non- executive Directors and also the Independent Directors; and
6. Decide/ approve details of fixed components and performance linked incentives along with criteria.
7. To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

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

### **Appointment and removal of director, KMP and senior management**

#### ***i. Appointment criteria and qualifications***

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

#### ***ii. Term / Tenure***

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

### *iii. Evaluation*

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

### *iv. Removal*

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

### *v. Retirement*

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

## **Remuneration for director, KMP and senior management**

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

1. The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made there under.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
4. This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

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

#### **Fixed pay**

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

#### **Remuneration in case of no profits or inadequate profits**

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

#### **Provisions for excess remuneration**

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

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

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

### **Sitting Fees**

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

### **Commission**

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

## (c) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

### (i) **Composition**

As on March 31, 2018 the Stakeholders Relationship Committee of the Board comprised of three (3) non-executive Independent Directors i.e. Mr. Mohit Jain as Chairman and Mr. Govind Swarup and Mr. Ashish Verma as its members. Ms. Shweta Saxena, Company Secretary, is the Compliance Officer of the Company. During the year under review, four (4) Meetings of the Stakeholders Relationship Committee were held i.e. on May 26, 2017, August 11, 2017, November 10, 2017 and February 12, 2018.

### (ii) **Brief terms of reference**

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

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

During the year under review, the Company and the Registrar & Share Transfer Agent has received one investor grievance pertaining to investor related matters, the same was resolved and there were no pending complaints as on March 31, 2018.

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

### (i) **Composition**

As on March 31, 2018, the Corporate Social Responsibility Committee of the Board comprised of three (3) 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 and indicating the activities to be undertaken by the Company in any year / block of years;
- ❖ Recommending the amount of expenditure to be spent on the CSR activities to be undertaken by the Company in any year / block of years;
- ❖ Formulating the annual CSR Budget and obtaining Board's approval thereto;
- ❖ Monitoring and reporting of the CSR activities to the Board from time to time;
- ❖ Reviewing the CSR Policy from time to time.

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2018 is given in the Board's report.

## 4. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met one time on January 30, 2018, inter alia to:

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

## 5. PERFORMANCE EVALUATION

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

### 1. 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.

### 2. Organisational Traits for Non Independent Directors

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

### iii) Organisational Traits for Independent Directors

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

### iv) Traits for Board/Committees

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

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

## 6. GENERAL BODY MEETINGS

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
2014-15	Tuesday	September 22, 2015	10:00 A.M.	Conference Hall, First Floor, 10, Daryaganj, New Delhi-110002
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

No Special resolution was passed in the year 2014-15, 2015-16 and 2016-17. Further, no resolutions were implemented through postal ballot during the year under review, nor any such resolutions are presently proposed.

## 7. DISCLOSURES BY MANAGEMENT

- a. No material, financial and commercial transactions were reported by the management to the Board, in which the management had personal interest having a potential conflict with the interest of the Company at large. The Company has complied with the Accounting Standard on Related Party Disclosure during the Financial year 2017-18, the 'Related Party Disclosures' have been given at Note No. 2.7 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](http://www.pnbfinanceandindustries.com)

- b. There are no transactions with the Directors or Management, their associates or their relatives etc. that may have potential conflict with the interest of the Company at large.
- c. There was no non-compliance during the 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.
- d. The Company did not raise any funds through public issue, right issue, preferential issue etc. during the financial year.
- e. The Management Discussion and Analysis report is attached herewith & forms a part of the Report.
- f. With respect to CFO certification, a certificate signed by Mr. Viveka Nand Jha, CFO is attached with this report.
- g. The Company has established Whistle Blower and Vigil Mechanism Policy and this policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from victimization. Your Board affirms that no personnel have been denied access for making disclosure or report under the Policy to the Audit Committee.
- h. All mandatory requirements (except where not relevant or applicable) of Corporate Governance have been complied. It has not adopted any of the non-mandatory requirements.
- i. 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, 2018.
- j. The Company has in place built-in 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.
- k. The Policy on determining material subsidiaries has been uploaded and can be accessed on the Website of the Company: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com)
- l. 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. 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](http://www.pnbfinanceandindustries.com)

## 8. MEANS OF COMMUNICATION

The quarterly/ half-yearly/ annual financial results of the Company are regularly submitted to the stock exchanges immediately after the same are reviewed by the Audit Committee and approved by the Board of Directors. The quarterly/ half-yearly/ annual results of the Company are usually published in "The Pioneer" (English and Hindi Edition) and also displayed on Company's website: [www.pnbfinanceandindustries.com](http://www.pnbfinanceandindustries.com).



**9. SHAREHOLDERS' INFORMATION**

<b>1. Annual General Meeting</b>	: Thursday, September 27, 2018
Date, Time & Venue	: 10:30 A.M. at Institute of Engineer Bhawan, 2 <sup>nd</sup> Bahadur Shah Zagar Marg, ITO, Opp. Delhi Police HQ., New Delhi-110002
Date of Book Closure	: September 21, 2018 to September 27, 2018 (both days inclusive)
Date of Payment of Dividend	: On or after September 27, 2018
Last Date of receipt of Proxy forms	: September 25, 2018 (upto 10:30 A.M.)
<b>2. Financial year</b>	: 1 <sup>st</sup> April- 31 <sup>st</sup> March
<b>3. Financial Calendar (Tentative)</b>	
Financial reporting for the quarter ending on June 30, 2018	: Last week of July, 2018
Financial reporting for the quarter ending on September 30, 2018	: Last week of Oct., 2018
Financial reporting for the quarter ending on December 31, 2018	: Last week of Jan., 2018
Financial reporting for the year ending on March 31, 2019	: Last week of April, 2019
<b>4. Listing on Stock Exchanges (Equity Shares)</b>	
The Equity Shares of the Company are listed at the Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata, West Bengal-700 001. The annual listing Fee for the financial year 2017-18 has been paid within stipulated time period. Scrip Code of the Company is 26055. Annual custody/issuer fee for the financial year 2017-18 have also been paid to CDSL and NSDL.	
<b>5. Stock Market Data</b>	
No trading took place during the last financial year at The Calcutta Stock Exchange Limited.	
<b>6. Share Transfer System</b>	
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.	
<b>7. Dematerialisation of Shares and Liquidity</b>	
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, 2018, 97.22% (31,11,027 shares) of equity shares have been dematerialised. The ISIN No. allotted to the Company is INE057F01011.	

**8. 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
31.03.2011	28.07.2011	03.09.2018
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

The total amount lying in the Unpaid Dividend Account of the Company in respect of the last seven years is ₹ 4.05 lakhs.

**9. Distribution of Shareholding and Category of Shareholding as on March 31, 2018**

		Shareholders (Nos.)	Shareholders (%)	No. of Shares held	Shareholding (%)
Upto	5,000	917	92.72	50451	1.58
5,001	- 10,000	39	3.94	29812	0.93
10,001	- 20,000	10	1.01	13674	0.43
20,001	- 30,000	3	0.30	7867	0.25
30,001	- 40,000	1	0.10	3200	0.10
40,001	- 50,000	0	0	0	0
50,001	- 100,000	6	0.61	47178	1.47
Above	100,000	13	1.32	3047818	95.24
<b>Total</b>		<b>989</b>	<b>100.00</b>	<b>3200000*</b>	<b>100.00</b>

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

**10. Shareholding Pattern as on March 31, 2018**

Category		No. of Shares	Percentage
<b>A.</b>	<b>Promoters' Holding</b>	NIL	NIL
<b>B.</b>	<b>Non-Promoters' Holding</b>		
	<b>(a) Institutional Investors</b>	50451	1.58
	<b>(b) Others</b>		
	1. Private Bodies Corporate	2188767	68.40
	2. Indian Public	905242	28.28
	3. NRIs and OCBs	21417	0.67
	4. Hindu Undivided Family	6978	0.22
	5. Others (Investor Education and Protection Fund Authority)	27145	0.85
<b>TOTAL</b>		<b>3200000</b>	<b>100</b>

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

**11. Outstanding ADRs/ GDRs/warrants or any Convertible Instruments**

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

**12. Investor Correspondence**

: Company Secretary  
 PNB Finance and Industries Limited  
 1<sup>st</sup> Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002  
 Email ID- [pnbfinanceindustries@gmail.com](mailto:pnbfinanceindustries@gmail.com)  
 Phone : +91-11-39843340/41

**13. 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

# PNB FINANCE AND INDUSTRIES LIMITED

## CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of PNB Finance and Industries Limited,

We have examined the compliance of conditions of Corporate Governance by PNB Finance and Industries Limited (“the Company”) for the year ended 31<sup>st</sup> March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

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

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

**For Nityanand Singh & Co.**  
*Company Secretaries*

**Nityanand Singh**  
*Proprietor*

*FCS No. 2668 CP No. 2388*

*Place : New Delhi*  
*Date : 25<sup>th</sup> May, 2018*

## CFO CERTIFICATION

The Board of Directors,  
**PNB Finance and Industries Limited**

Dear Sir,

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

- 1) I have reviewed the financial statements and the cash flow statement for the year 2017-18 and to the best of my knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company’s affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company’s code of conduct.
- 3) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps I have taken or propose to take to rectify these deficiencies.
- 4) I have indicated to the Auditors and the Audit Committee:
  - i) that there are no significant changes in internal control systems during the year.
  - ii) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes of the financial statement; and
  - iii) that there have been no instance of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company’s internal control system.

**For PNB FINANCE AND INDUSTRIES LIMITED**

*Place: New Delhi*  
*Date: May 29, 2018*

**VIVEKA NAND JHA**  
*Chief Financial Officer*

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Macro Economic View

Amidst an improving macro-economic environment, the global economy is witnessing a cyclical recovery, reflecting a rebound in investment, manufacturing and trade. For the first time since 2010, the world economy is outperforming expectations, at the back of benign global financing conditions, accommodative policies, rising confidence and firming commodity prices. The global GDP forecast for 2018 is 4.0% up from 3.7% in 2017. The global economic growth is broad-based across most advanced and emerging economies, with the latter posting accelerated growth at 4.3% in 2017.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent.

### Industry Developments

The Non Banking Financial Company (NBFC) sector saw a largely stable outlook for major NBFCs. From the perspective of larger financial system, scheduled commercial banks continued to be the dominant players accounting for

nearly 47 % of the bilateral exposure followed by Asset Management Companies managing Mutual Funds, Non Banking Financial Companies, Insurance Companies, Housing Finance Companies (HFCs) and All-financial Institutions.

NBFCs continued to grow their share in the financial services industry. Data published by the RBI in its Financial Stability Reports dated 30 June 2017 and 21 December 2017 show that the NBFCs have outperformed scheduled commercial banks (SCBs) on growth in advances, asset quality and profitability. This growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future.

### 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 ₹ 10.34 crores during the year 2017-2018. 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.  
1<sup>st</sup> Floor, Express Building, 9-10, Bahadur Shah Zafar Marg,  
New Delhi-110002

### 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 a NBFC and has obtained the Certificate of Registration (COR) No. 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) as on March 31, 2018.
- (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, 2018 is amounting to ₹ 87.03 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 13, 2017 for non-acceptance of any public deposits.
- ii) The Company has not accepted any public deposits during the year ended March 31, 2018.
- iii) Since the Company has not accessed any public funds and does not have any customer interface during the year ended March 31, 2018 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, etc. 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 AWATAR & CO.  
Chartered Accountants**

*Place: New Delhi  
Date: May 29, 2018*

**SANJAY AGRAWAL  
Partner  
M. No. 087786  
(FRN: 000726N)**

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

**PNB FINANCE AND INDUSTRIES LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **PNB FINANCE AND INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified

- under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over the financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **Annexure-B**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Sanjay Agrawal**  
Partner  
Membership No. : 087786

*Place : New Delhi*  
*Date : May 29, 2018*

## 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 31<sup>st</sup> March, 2018)

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

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

*Place : New Delhi*  
*Date : May 29, 2018*

**Sanjay Agrawal**  
Partner  
Membership No. : 087786



## **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, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

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

**Sanjay Agrawal**  
Partner

Membership No. : 087786

*Place : New Delhi*  
*Date : May 29, 2018*

# PNB FINANCE AND INDUSTRIES LIMITED

## BALANCE SHEET AS AT MARCH 31, 2018

PARTICULARS	Note No.	As at 31.03.2018 (₹ in lakhs)	As at 31.03.2017 (₹ in lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	320.00	320.00
Reserves and surplus	4	8,413.52	7,402.40
<b>Non current liabilities</b>			
Long term provisions	5	6.08	7.60
<b>Current liabilities</b>			
Other current liabilities	6	5.83	5.56
Short term provisions	7	-	0.13
<b>Total</b>		<u>8,745.43</u>	<u>7,735.69</u>
<b>ASSETS</b>			
<b>Non- current assets</b>			
Tangible fixed assets	8	0.15	0.30
Non-current investments	9	8,679.56	7,655.73
Deferred tax assets (net)	10	30.42	45.88
Long term loans & advances	11	23.95	25.80
<b>Current assets</b>			
Cash and bank balances	12	11.06	7.71
Short-term loans and advances	13	0.08	0.06
Other current assets	14	0.21	0.21
<b>Total</b>		<u>8,745.43</u>	<u>7,735.69</u>
<b>Significant accounting policies &amp; notes to financial statements</b>	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

**Mohit Jain**  
Director  
DIN: 01315482

Place: New Delhi  
Date: May 29, 2018

**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, 2018

PARTICULARS	Note No.	For the year ended 31.03.2018 (₹ in lakhs)	For the year ended 31.03.2017 (₹ in lakhs)
<b>REVENUE</b>			
Other income	15	1,294.96	408.12
<b>Total</b>		<u>1,294.96</u>	<u>408.12</u>
<b>EXPENSES</b>			
Employee benefits expenses	16	29.65	27.53
Depreciation	8	0.15	0.43
Other expenses	17	33.37	45.83
<b>Total</b>		<u>63.17</u>	<u>73.79</u>
<b>Profit before exceptional items and tax</b>		<u>1,231.79</u>	<u>334.33</u>
Exceptional item - Provision made / written back (-) for Diminution in value of investments		-	(1.05)
<b>Profit before tax</b>		<u>1,231.79</u>	<u>335.38</u>
Tax expense			
Current tax		226.46	10.97
MAT credit entitlement		(44.36)	(4.78)
Deferred tax charge/(credit)		15.46	(1.20)
<b>Profit for the year</b>		<u>1,034.23</u>	<u>330.39</u>
<b>Earnings per equity share</b>			
Equity shares of par value ₹10/- each			
Basic (in ₹)		32.32	10.32
Diluted (in ₹)		32.32	10.32
<b>Significant accounting policies &amp; notes to financial statements</b>	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

**Mohit Jain**  
Director  
DIN: 01315482

Place: New Delhi  
Date: May 29, 2018

**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, 2018

PARTICULARS	For the year ended 31.03.2018 (₹ in lakhs)	For the year ended 31.03.2017 (₹ in lakhs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1231.79	335.38
Adjustment for:		
Depreciation on tangible fixed assets	0.15	0.43
Dividend from non current investments	(340.10)	(303.31)
(Profit) /loss on sale of non current investments(net)	(952.69)	(103.88)
Interest on debentures (non current investment )	(0.48)	(0.48)
Excess provision written back	(1.67)	-
Provision made / written back (-) for diminution in value of investments	-	(1.05)
Provision for gratuity	-	0.30
Provision for leave encashment	-	0.08
<b>Operating profit/(-) loss before working capital changes</b>	<u>(63.00)</u>	<u>(72.53)</u>
Adjustments for changes in working capital:		
(-)Increase/Decrease in short term loans and advances	(0.03)	0.21
(-)Increase/Decrease in other current assets	-	178.53
Increase/(-) Decrease in Short Term Provisions	-	0.02
Increase/(-) Decrease in other current liabilities	0.29	(0.36)
Cash Generated from /(-) used in Operations	(62.74)	105.86
Income taxes paid (net of refunds and write off)	(180.24)	(7.22)
<b>Net cash from/ (-) used in operating activities ..... A</b>	<u>(242.98)</u>	<u>98.64</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale /redemption of non current / current investments	6009.35	533.19
Purchase of investments	(6080.49)	(913.00)
Interest on debentures	0.48	0.48
Dividend income on non current investments	340.10	303.31
<b>Net cash from/(-) used in investing activities ..... B</b>	<u>269.44</u>	<u>(76.02)</u>

# PNB FINANCE AND INDUSTRIES LIMITED

PARTICULARS	For the year ended 31.03.2018 (₹ in lakhs)	For the year ended 31.03.2017 (₹ in lakhs)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(19.20)	(19.20)
Dividend distribution tax	(3.91)	(3.91)
<b>Net cash from/(-)used in financing activities ..... C</b>	<b>(23.11)</b>	<b>(23.11)</b>
<b>Net increase/(-) decrease in cash and cash equivalents ..... (A+B+C)</b>	<b>3.35</b>	<b>(0.49)</b>
<b>Cash and cash equivalents at the beginning of the year (opening balance)</b>	<b>7.71</b>	<b>8.20</b>
<b>Total cash and cash equivalents at the end of the year (closing balance)</b>	<b>11.06</b>	<b>7.71</b>
<b>Components of cash and cash equivalents:</b>		
Cash balance on hand	0.03	0.15
Balances with scheduled banks:		
In current accounts	6.98	3.30
In unclaimed dividend accounts	4.05	4.26
<b>Total</b>	<b>11.06</b>	<b>7.71</b>

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 29, 2018

for and on behalf of the Board of Directors

**Govind Swarup**  
Director  
DIN: 00003145

**Shweta Saxena**  
Company Secretary  
Membership No. A18585

**Mohit Jain**  
Director  
DIN: 01315482

**Viveka Nand Jha**  
Chief Financial Officer  
PAN - AEXPJ2176H

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### NOTE 1. Significant accounting policies

#### 1.1 Basis of Preparation of Financial Statements

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

#### 1.2 Use of Estimates

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

#### 1.3 Revenue Recognition

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

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

#### 1.4 Investments

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

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

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

#### 1.5 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

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

#### 1.6 Cash Flow Statement

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

#### 1.7 Fixed Assets and Depreciation

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

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

#### 1.8 Tax Expense and Provision for Taxation

Tax expense comprises Current Tax, Earlier Year Tax and Deferred Tax. The provision for taxation is made annually on the basis of the assessable profits determined under the Income Tax Act, 1961 after considering the applicable tax allowances and exemptions.

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

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

## 1.9 Provision and Contingencies

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

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

## 1.10 Employee Benefits

Employee benefits have been recognized in the following ways:-

### **Short-term employee benefits**

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

### **Post-employment benefits**

#### Defined contribution plan

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

#### Defined benefit plans

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

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

#### Leave encashment

The employees can carry-forward a portion of the unutilized accrued leaves and utilize it in future service periods or receive cash compensation on termination of employment. Since the accumulated leaves do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such accumulated leaves in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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

### 1.11 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares, and accordingly, the Basic Earnings Per Share and Diluted Earnings Per Share are same.

### 1.12 Impairment of Assets

All assets other than inventories are reviewed for impairment; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which the assets is identified as impaired. The impaired loss recognized in prior accounting periods is reversed / adjusted, if there has been a change in the estimate of the recoverable amount.

### 1.13 Current and Non-current classification

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

#### Assets

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

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

All other assets shall be classified as non-current.

#### Liabilities

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

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

All other liabilities shall be classified as non-current.

## 2 Notes to financial statements

### 2.1 Earnings per share

Particulars	As at March 31, 2018	As at March 31, 2017
Net profit / (loss) attributable to equity shareholders (in Lacs) (A)	1,034.23	330.39
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)	32.32	10.32

### 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 ₹ 44.36 lakhs (Previous Year ₹ 4.78 lakhs) which is to the extent of MAT credit allowable for adjustment during the year against normal tax provision. The Company has not recognized MAT credit entitlement in full, as there is no virtual certainty of sufficient future taxable income against which such MAT credit entitlement can be adjusted.



**2.4 Fixed assets and depreciation**

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

**2.5 Employee benefits:**

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

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

**a) Defined contribution plan :**

Employer’s contribution to PF ₹ 1.03 lakh /- (P.Y. ₹ 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)	
	31.03.18	31.03.17	31.03.18	31.03.17
Discounting rate	<b>6.50% p.a.</b>	6.75% p.a.	<b>6.50% p.a.</b>	6.75% p.a.
Future salary increase	<b>6.50% p.a.</b>	8.00% p.a.	<b>6.50% p.a.</b>	8.00% p.a.
Mortality table	<b>IALM (2006-08)</b>	IALM (2006-08)	<b>IALM (2006-08)</b>	IALM (2006-08)
Expected rate of return on plan assets	<b>N.A.</b>	N.A.	<b>N.A.</b>	N.A.
Expected average remaining working lives of employees	<b>19.92 Years</b>	20.92 Years	<b>19.92 Years</b>	20.92 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)	
	31.03.18	31.03.17	31.03.18	31.03.17
Present value of obligation as at the beginning of year	<b>4.18</b>	3.87	<b>3.55</b>	3.46
Past service cost	-	-	-	-
Current service cost	<b>0.41</b>	0.51	<b>0.24</b>	0.43
Interest cost	<b>0.28</b>	0.31	<b>0.23</b>	0.28
Benefits paid	-	-	-	-
Actuarial (gain)/loss	<b>(0.99)</b>	(0.51)	<b>(1.83)</b>	(0.62)
Present value of obligation as at the end of year	<b>3.89</b>	4.18	<b>2.19</b>	3.55

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.17
Carrying amount at the beginning of the year	<b>4.18</b>	3.87	<b>3.55</b>	3.46
Additional provisions made/(-) reversed during the year	<b>(0.29)</b>	0.31	<b>(1.36)</b>	0.09
Amount used during the year	-	-	-	-
Carrying amount at the end of the year	<b>3.99</b>	4.18	<b>2.19</b>	3.55

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.16
Current service cost	0.41	0.51	0.23	0.43
Past service cost	--	--	--	--
Interest cost	0.28	0.31	0.24	0.28
Expected return on plan assets	--	--	--	--
Curtailement cost / (credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain) / loss recognized in the period	(0.99)	(0.51)	(1.83)	(0.62)
Expenses recognized in the Statement of Profit & Loss	(0.29)	0.31	(1.36)	0.09

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.17
Present value of obligation as at the end of period	3.89	4.18	2.19	3.55
Present value of obligation as at the beginning of the period	4.18	3.87	3.55	3.46
Benefits paid	--	--	--	--
Actual return on plan assets	--	--	--	--
Acquisition adjustment	--	--	--	--
Expenses recognized in the Statement of Profit & Loss	(0.29)	0.31	(1.36)	0.09

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.17
Current liability	0.08	0.07	0.04	0.06
Non current liability	3.81	4.11	2.15	3.49
<b>Total PBO at the end of the year</b>	<b>3.89</b>	<b>4.18</b>	<b>2.19</b>	<b>3.55</b>

**2.6 Segment reporting**

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

**2.7 Related party disclosures**

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

**a) List of related parties and relationships**

<b>Name of the Company/ Person</b>	<b>Relationship</b>
Mr. Govind Swarup	Director
Mr. Mukesh Gupta	Director
Mr. Mohit Jain	Director
Mr. Ashish Verma	Director
Mrs. Saumya Agarwal	Director
M/s Punjab Properties Ltd.	Subsidiary Company (Up to 08 <sup>th</sup> November, 2017)
M/s Punjab Mercantile & Traders Ltd.	Subsidiary Company
M/s Jacaranda Corporate Services Ltd.	Subsidiary Company
Mrs. Shweta Saxena	KMP (Company Secretary)
Mrs. Vijaya Agarwal	KMP (Manager)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

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

(Amount in ₹ lakhs)

<b>Name of the Party</b>	<b>Nature of Transaction</b>	<b>Amount for the year ended</b>		<b>Amount Outstanding as on</b>	
		<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Mr. Govind Swarup	Director's sitting fees	<b>3.00</b>	3.20	-	-
Mr. Mukesh Gupta	Director's sitting fees	<b>2.20</b>	2.20	-	-
Mr. Ashish Verma	Director's sitting fees	<b>2.00</b>	1.60	-	-
Mrs. Saumya Agarwal	Director's sitting fees	<b>1.00</b>	1.00		
Mr. Viveka Nand Jha	Salary	<b>11.49</b>	10.29		
Mrs. Shweta Saxena	Salary	<b>16.41</b>	15.15	-	-
Mrs. Vijaya Agarwal	Salary	<b>0.12</b>	0.12	-	-

**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 Company, there are no outstanding dues to such enterprises.

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

<u>Particulars</u>	(in lakhs)
Earning	Nil (Previous Year – Nil)
Outgo	Nil (Previous Year – Nil)

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

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

**3. Share capital**

Particulars	As at 31.3.2018 (₹ in lakhs)	As at 31.3.2017 (₹ in lakhs)
<b>Share capital</b>		
Equity share capital		
<b>Authorised share capital</b>		
50,00,000 equity shares of ₹ 10/- each	500.00	500.00
	500.00	500.00
<b>Issued share capital</b>		
32,00,000 shares of ₹ 10/- each	320.00	320.00
	320.00	320.00
<b>Issued, subscribed &amp; fully paid share capital</b>		
<b>Issued, subscribed &amp; fully paid share capital</b>		
a) 8,01,288.5 shares of ₹ 10/- each fully paid up. (On reduction of share capital through High Court order dated 15.11.1973)	80.13	80.13
b) 23,98,711.5 shares of ₹ 10/- each fully paid up. (Including 131 equity shares of ₹ 10 each in the form of fractional coupons)	239.87	239.87
<b>Total</b>	320.00	320.00

- 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, 2018.
- 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, 2018 (March 31, 2017 : ₹ 0.60 per equity share). The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- D.** In the event of the liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company, after meeting all liabilities .

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

Name of shareholder	As at 31.3.2018	As at 31.3.2017
Artee Viniyoga Limited	8,01,710	8,01,710
Ashoka Viniyoga Limited	6,51,660	6,51,660
Camac Commercial Company Limited	5,20,000	5,20,000
Mr. Samir Jain	5,18,827	5,18,827
Mrs. Meera Jain	1,96,000	1,96,000
Combine Holding Limited	1,61,437	1,61,437

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2018 (₹ in lakhs)	As at 31.3.2017 (₹ in lakhs)
<b>4 Reserve &amp; surplus</b>		
<b>I. General reserve</b>		
As per last balance sheet	1,415.16	1,395.16
Add:- additions during the year	<u>20.00</u>	<u>20.00</u>
	<u>1435.16</u>	<u>1415.16</u>
<b>II. Special reserve U/s 45 -1 C of RBI Act,1934</b>		
As per last balance sheet	1,510.13	1,444.05
Add:- additions during the year	<u>202.23</u>	<u>66.08</u>
	<u>1,712.36</u>	<u>1510.13</u>
<b>III. Share premium account</b>	<u>103.91</u>	<u>103.91</u>
<b>IV. Surplus</b>		
As per last balance sheet	4,373.20	4,128.89
Add:- profit after tax for the year	1,034.23	330.39
Less:- transfer to general reserve	20.00	20.00
Less:- transfer to special reserve	202.23	66.08
Less:- transfer to dividend account	19.20	-
Less:- dividend distribution tax paid	<u>3.91</u>	<u>-</u>
<b>Net surplus</b>	<u>5162.09</u>	<u>4373.20</u>
<b>Total (I+II+III+IV)</b>	<u>8413.52</u>	<u>7402.40</u>
<b>5 Long term provisions</b>		
<b>Provision for employee benefits</b>		
for leave encashment	2.19	3.49
for gratuity	<u>3.89</u>	<u>4.11</u>
<b>Total</b>	<u>6.08</u>	<u>7.60</u>
<b>6 Other current liabilities</b>		
Expenses payable	1.53	1.30
TDS payable	0.25	-
Unpaid dividend	<u>4.05</u>	<u>4.26</u>
<b>Total</b>	<u>5.83</u>	<u>5.56</u>
<b>7 Short term provisions</b>		
for leave encashment	-	0.06
for gratuity	<u>-</u>	<u>0.07</u>
<b>Total</b>	<u>-</u>	<u>0.13</u>

## 8. Tangible fixed assets

Particulars	Gross carrying value				Depreciation			Net carrying value	
	As on 1.04.2017 (₹ in lakhs)	Additions during the year (₹ in lakhs)	Deductions during the year (₹ in lakhs)	As on 31.03.2018 (₹ in lakhs)	Upto 31.03.2017 (₹ in lakhs)	For the year (₹ in lakhs)	Upto 31.03.2018 (₹ in lakhs)	As on 31.03.2018 (₹ in lakhs)	As on 31.03.2017 (₹ in lakhs)
Office equipment (Computer)	3.77	-	-	3.77	3.47	0.15	3.62	0.15	0.30
<b>Total</b>	<b>3.77</b>	<b>-</b>	<b>-</b>	<b>3.77</b>	<b>3.47</b>	<b>0.15</b>	<b>3.62</b>	<b>0.15</b>	<b>0.30</b>
Previous Year	3.77	-	-	3.77	3.04	0.43	3.47	0.30	0.73

# PNB FINANCE AND INDUSTRIES LIMITED

9 Non current investment					
No of Shares/ Units** 31.03.2018	No of Shares/ Units** 31.03.2017	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2018 (₹ in lakhs)	*Value as at 31.03.2017 (₹ in lakhs)
		<b>(Long Term - Other than trade - at cost, unless stated otherwise)</b>			
		<b>(A) Unquoted Equity Shares</b>			
-	50,000	Punjab Properties Ltd.#	10	-	5.00
50,000	50,000	Punjab Mercantile & Traders Ltd. (wholly owned Subsidiary)	10	5.00	5.00
2,00,000	2,00,000	Jacaranda Corporate Services Ltd.(wholly owned subsidiary )	10	20.00	20.00
26,665,848	26,665,848	Bennett,Coleman & Co Ltd. (Includes bonus shares-26663976 )	10	0.15	0.15
23,500	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	-	-
		<b>Total</b>		<b>59.05</b>	<b>64.05</b>
		<b>Less: Provision for Diminution in Value of Investments***</b>		<b>4.01</b>	<b>4.01</b>
		<b>Total (A)</b>		<b>55.04</b>	<b>60.04</b>
		<b>(B) Quoted Equity Shares</b>			
29,400	29,400	Susmit Trading Ltd.***	10	0.74	0.74
50,000	50,000	Jantej Commercial Enterprises Ltd.***	10	1.81	1.81
100,000	100,000	Sagar Investments Ltd.***	10	2.50	2.50
100	100	The Pioneer Ltd.***	10	0.02	0.02
35,000	35,000	Camac Commercial Co. Ltd.	10	3.50	3.50
55,000	55,000	Ashoka Viniyoga Ltd.	10	5.50	5.50
1,219,140	1,219,140	HDFC Bank Ltd.	2	140.90	140.90
				<b>154.97</b>	<b>154.97</b>
		<b>Less: Provision for Diminution in Value of Investments***</b>		<b>5.07</b>	<b>5.07</b>
		<b>Total (B)</b>		<b>149.90</b>	<b>149.90</b>
		<b>(C) Debentures - Unquoted</b>			
6,000	6,000	Parshva Properties Ltd.	100	3.23	3.23
		<b>Total (C)</b>		<b>3.23</b>	<b>3.23</b>
		<b>(D) Mutual Funds - Unquoted</b>			
84,969	515,435	HDFC Floating Rate Income Fund - Short Term - Direct Plan - Growth	10	20.03	121.52
771,925	771,925	HDFC Corporate Debt Opportunities Fund -Direct Plan - Growth	10	80.00	80.00
7,527,609		- HDFC Banking & PSU Debt Fund-Direct Plan- Growth	10	1,002.00	-
-	12,397,610	ICICI Prudential Long Term Plan -Direct Plan - Growth	10	-	2,076.30
4,066,219		- ICICI Prudential Short Term Plan- Growth	10	1,431.60	-
1,874,971	1,874,971	IDFC Corporate Bond Fund -Direct Plan -Growth	10	204.00	204.00
3,556,545		- IDFC Super Saver Income Fund Medium Term Plan -Direct Plan- Growth	10	1,018.00	-
-	3,565,209	Kotak Bond Scheme Plan A - Direct Plan - Growth	10	-	1,436.28
5,008,774		- Kotak Bond Short Term -Direct Plan- Growth	10	1,589.44	-
1,577,602	1,577,602	UTI Dynamic Bond Fund -Direct Plan-Growth	10	250.96	250.96
2,619,094	2,619,094	UTI Income Opportunities Fund -Direct-Growth	10	350.00	350.00

# PNB FINANCE AND INDUSTRIES LIMITED

No of Shares/ Units** 31.03.2018	No of Shares/ Units** 31.03.2017	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2018 (₹ in lakhs)	*Value as at 31.03.2017 (₹ in lakhs)
-	11,345	UTI Liquid Cash Plan -Institutional -Direct Plan -Growth	1,000	-	285.00
-	168,219	Aditya Birla Sun Life Cash Plus -Direct Plan -Growth	100	-	399.00
1,368,378	375,188	Aditya Birla Sun Life Short Term Fund -Direct Plan -Growth	10	801.36	178.50
2,505,868	2,505,868	Aditya Birla Sun Life Short Term Oppurtunities Fund - Direct-Growth	10	600.00	600.00
-	616,359	Aditya Birla Sun Life Dynamic Bond Fund -Direct-Growth	10	-	160.00
4,429,068	4,429,068	Reliance Regular Savings Fund - Debt Plan- Direct Plan - Growth	10	877.00	877.00
-	17,078	Reliance Liquid Fund -Cash Plan -Direct -Growth	1,000	-	424.00
897,256	-	Reliance Floating Rate Fund -Short Term Plan- Direct Plan-Growth	10	247.00	-
		<b>Total (D)</b>		<b>8,471.39</b>	<b>7,442.56</b>
		<b>GRAND TOTAL {(A)+(B)+(C)+(D)}</b>		<b>8,679.56</b>	<b>7,655.73</b>
		<b>Aggregate Market Value of Quoted Investments**** (in lakh)</b>		<b>23,399.27</b>	<b>17946.18</b>
		<b>Aggregate Value of Unquoted Investments(A+C+D)</b>		<b>8,529.66</b>	<b>7,505.83</b>

\* Investments are stated at cost.

# Punjab Properties Ltd. is no more subsidiary of the company due to sale of equity shares of the Company during the year.

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

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

\*\*Units are rounded off to the nearest Unit.

\*\*\*\* As at March 31, 2018, wherever the Quoted Equity Shares have not been traded/No latest quotation is available, then Net Asset Value based on last audited Financials Statements have been considered.

Particulars	As at 31.3.2018 (₹ in lakhs)	As at 31.3.2017 (₹ in lakhs)
<b>10 Deferred tax assets (net)</b>		
<b>Assets on account of</b>		
Carried forward losses under the Income tax Act	28.71	43.27
Accrued expenses allowable on payment basis	1.69	2.55
	<u>30.40</u>	<u>45.82</u>
<b>Liabilities on account of</b>		
Difference in depreciation	(0.02)	(0.06)
	<u>(0.02)</u>	<u>(0.06)</u>
<b>Net deferred tax assets</b>	<u>30.42</u>	<u>45.88</u>
<b>Reconciliation of deferred tax assets (net)</b>		
Opening balance of deferred tax assets	45.88	44.68
Less:- closing balance of deferred tax assets	30.42	45.88
Net deferred tax asset / (-) liability created during the year	<u>(15.46)</u>	<u>1.20</u>
<b>11 Long term loans and advances</b>		
<b>Unsecured, Considered Good</b>		
Advance income tax / TDS (net of tax provisions)	23.95	25.80
<b>Total</b>	<u>23.95</u>	<u>25.80</u>

## PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2018 (₹ in lakhs)	As at 31.3.2017 (₹ in lakhs)
<b>12 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	0.03	0.15
<b>Bank balances</b>		
Balances with HDFC Bank Ltd., New Delhi (current account)	6.98	3.30
<b>Unclaimed dividend</b>		
Unclaimed dividend account with HDFC Bank Ltd. New Delhi	4.05	4.26
<b>Total</b>	<u>11.06</u>	<u>7.71</u>
<b>13 Short term loans and advances</b>		
<b><u>Unsecured, Considered Good</u></b>		
Prepaid expenses	0.08	0.06
<b>Total</b>	<u>0.08</u>	<u>0.06</u>
<b>14 Other current assets</b>		
Unsecured loan (considered doubtful)	18.39	18.39
Less : provision for doubtful debts	<u>18.39</u>	<u>18.39</u>
	-	-
Interest accrued	0.21	0.21
<b>Total</b>	<u>0.21</u>	<u>0.21</u>
<b>Particulars</b>	<b>For the year ended 31.3.2018 (₹ in lakhs)</b>	<b>For the year ended 31.3.2017 (₹ in lakhs)</b>
<b>15 Other income</b>		
Dividend from non current (Long Term) investment	294.10	303.32
Dividend from Subsidiary	46.00	-
Interest on debentures (Long Term)	0.48	0.48
Profit on sale of non current (Long Term) investments	952.69	103.88
Misc. income	0.02	0.44
Excess provision written back	1.67	-
<b>Total</b>	<u>1294.96</u>	<u>408.12</u>
<b>16 Employee benefit expenses</b>		
Salaries	27.72	25.25
Contribution to provident fund	1.15	1.16
Staff welfare expenses	0.78	0.72
Gratuity	-	0.31
Leave encashment	-	0.09
<b>Total</b>	<u>29.65</u>	<u>27.53</u>



# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.3.2018 (₹ in lakhs)	For the year ended 31.3.2017 (₹ in lakhs)
<b>17 Other expenses</b>		
Director' s sitting Fee	8.20	8.00
Legal and professional fees	5.42	12.00
Filing fees	0.06	0.10
Printing & stationery	1.90	1.82
Miscellaneous expenditure	0.10	0.12
Postage & telephone charges	1.06	0.99
Conveyance expenses	4.17	4.06
Advertisement expenses	0.39	0.33
AGM expenses	0.76	0.79
Listing fees	0.29	0.29
Depository fees	0.21	0.21
Document storage rent	1.62	-
Software charges	3.53	-
Service tax paid	0.32	2.65
GST paid	1.66	-
Advances written off	2.80	-
Auditor' s Remuneration :-		
Audit fees	0.71	0.69
For certification & out of pocket expenses	0.17	0.10
CSR contributions for 2014-15	-	1.42
CSR contributions for 2015-16	-	12.26
<b>Total</b>	<b>33.37</b>	<b>45.83</b>

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 29, 2018

for and on behalf of the Board of Directors

**Govind Swarup**

Director

DIN: 00003145

**Shweta Saxena**

Company Secretary

Membership No. A18585

**Mohit Jain**

Director

DIN: 01315482

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

## PNB FINANCE AND INDUSTRIES LIMITED

*Schedule to the Balance Sheet of a 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, 2018	
		Amount outstanding (₹ in lakhs)	Amount overdue (₹ in lakhs)
	<b>Liabilities Side :</b>		
<b>1</b>	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
	(a) Debentures : Secured	NIL	NIL
	: Unsecured (Other than falling within the meaning of public deposits)	NIL	NIL
	(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
<b>2</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid:</b>		
	(a) In the form of Unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
	(c) Other public deposits	NIL	NIL
	<b>Assets side :</b>	<b>Amount outstanding</b>	
<b>3</b>	<b>Break-up of Loans and Advances including bills receivables</b>		
	a) Secured	NIL	
	b) Unsecured	NIL	
<b>4</b>	<b>Break of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
	(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) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets repossessed	NIL	
	(b) Loans other than (a) above	NIL	
<b>5</b>	<b>Break-up of investments :</b>		
	<b>Current Investments :</b>		
	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 (Corporate Deposit)	NIL	

## PNB FINANCE AND INDUSTRIES LIMITED

	<b>Assets side :</b>	<b>Amount outstanding</b>		
	<b>Long term investments :</b>			
	<b>1. Quoted:</b>			
	(i) Shares : (a) Equity	154.97		
	(b) Preference	NIL		
	(ii) Debentures and bonds	NIL		
	(iii) Units of mutual funds	NIL		
	(iv) Government securities	NIL		
	(v) Others (Corporate Deposits)	NIL		
	<b>2. Unquoted</b>			
	(i) Shares : (a) Equity	59.05		
	(b) Preference	NIL		
	(ii) Debentures and bonds	3.23		
	(iii) Units of mutual funds	8471.39		
	(iv) Government securities	NIL		
	(v) Others (please specify)	NIL		
<b>6</b>	<b>Borrower group-wise classification of leased assets, stock-on-hire and loans and advances</b>			
	<b>Category</b>	<b>Amount of net provisions</b>		
		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
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>7</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities both quoted and unquoted</b>			
	<b>Category</b>	<b>Market value/Break-up or fair value or NAV</b>	<b>Book value (net of provisions)</b>	
	<b>1. Related Parties *</b>			
	(a) Subsidiaries	3,087.66	25.00	
	(b) Companies in the same group	-	-	
	(c) Other related parties	NIL	NIL	
	2. Other than related parties	<b>147,629.86</b>	<b>8,654.56</b>	
	<b>Total</b>	<b>150,717.52</b>	<b>8,679.56</b>	
	*As per Accounting standard of ICAI			
<b>8.</b>	<b>Other Information</b>			
	<b>Particulars</b>	<b>Amount</b>		
	<b>I Gross non-performing assets</b>	NIL		
	(a) Related Parties	NIL		
	(b) Other than related parties	18.39		
	<b>II Net Non-performing assets</b>	NIL		
	(a) Related Parties	NIL		
	(b) Other than related parties	NIL		
	<b>III Assets acquired in satisfaction of debt</b>	NIL		

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### TO THE MEMBERS OF PNB FINANCE AND INDUSTRIES LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PNB Finance and Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

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

#### Auditor's Responsibility

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure-A**, and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group,
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

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

**Sanjay Agrawal**  
Partner

Membership No. : 087786

Place : New Delhi  
Date : May 29, 2018

## **Annexure-A**

### **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PNB FINANCE & INDUSTRIES LIMITED**

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

We have audited the internal financial controls over financial reporting of **PNB Finance and Industries Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

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

**Place : New Delhi**  
**Date : May 28, 2018**

**Sanjay Agrawal**  
*Partner*  
*Membership No. : 087786*

# PNB FINANCE AND INDUSTRIES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

PARTICULARS	Note No.	As at 31.03.2018 (₹ in lakhs)	As at 31.03.2017 (₹ in lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	320.00	320.00
Reserves and surplus	4	11,476.17	10,283.34
<b>Non current liabilities</b>			
Long term provisions	5	6.08	24.75
<b>Current liabilities</b>			
Other current liabilities	6	6.00	5.82
Short term provisions	7	-	0.13
<b>Total</b>		<u>11,808.25</u>	<u>10,634.04</u>
<b>ASSETS</b>			
<b>Non- current assets</b>			
Tangible fixed assets	8	0.15	0.31
Non-current investments	9	11,736.39	10,528.33
Deferred tax assets(net)	10	30.42	45.88
Long term loans & advances	11	28.37	30.85
<b>Current assets</b>			
Cash and bank balances	12	12.64	28.25
Short-term loans and advances	13	0.08	0.06
Other current assets	14	0.21	0.36
<b>Total</b>		<u>11,808.25</u>	<u>10,634.04</u>
<b>Significant accounting policies &amp; notes to financial statements</b>	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

**Mohit Jain**  
Director  
DIN: 01315482

Place: New Delhi  
Date: May 29, 2018

**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, 2018

PARTICULARS	Note No.	For the year ended 31.03.2018 (₹ in lakhs)	For the year ended 31.03.2017 (₹ in lakhs)
<b>REVENUE</b>			
Other income	15	1,538.55	688.05
<b>Total</b>		<u>1,538.55</u>	<u>688.05</u>
<b>EXPENSES</b>			
Employee benefits expenses	16	31.45	29.09
Depreciation	8	0.15	0.43
Other expenses	17	36.21	55.75
<b>Total</b>		<u>67.81</u>	<u>85.27</u>
<b>Profit before exceptional items and tax</b>		<u>1,470.74</u>	<u>602.78</u>
Exceptional item - Provision made / (written back) for Diminution in value of investments		-	(1.05)
<b>Profit before tax</b>		<u>1,470.74</u>	<u>603.83</u>
Tax expense			
Current tax		248.70	49.79
Earlier year tax provision(net)		1.29	-
MAT credit entitlement		(51.22)	(17.39)
Deferred tax liability/(asset)		15.46	(1.20)
<b>Profit for the year</b>		<u>1,256.51</u>	<u>572.63</u>
<b>Earnings per equity share</b>			
Equity shares of par value ₹10/- each			
Basic (in ₹)		39.27	17.89
Diluted (in ₹)		39.27	17.89
<b>Significant accounting policies &amp; notes to financial statements</b>	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

**Mohit Jain**  
Director  
DIN: 01315482

Place: New Delhi  
Date: May 29, 2018

**Shweta Saxena**  
Company Secretary  
Membership No. A18585

**Viveka Nand Jha**  
Chief Financial Officer  
PAN - AEXPJ2176H



# PNB FINANCE AND INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	For the year ended 31.03.2018 (₹ in lakhs)	For the year ended 31.03.2017 (₹ in lakhs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(-) Loss before tax	1,470.74	603.83
<b>Adjustment for :-</b>		
Dividend	(493.89)	(459.15)
(Profit) /Loss on Sale of Non current Investments (Net)	(1,042.49)	(224.83)
Interest on Debentures (Non Current Investment)	(0.48)	(0.48)
<b>Non Cash Items :</b>		
Provision Made / (Written Back ) for diminution in Value of Investments	-	(1.05)
Depreciation on Tangible Fixed Assets	0.15	0.43
Adjustment (Net) on due to De-Subsidiarisation	(41.63)	-
Excess provision written back	(0.02)	-
Provision for Leave Encashment	(1.36)	0.08
Provision for Gratuity	(0.29)	0.30
<b>Operating Profit/(-) Loss before Working Capital Changes</b>	<b>(109.27)</b>	<b>(80.87)</b>
Adjustments for changes in working capital:		
(-)Increase/Decrease in short term loans and advances	(0.02)	0.20
(-)Increase/Decrease in other current assets	-	178.52
Increase/(-) Decrease in short & Long term provisions	-	10.07
Increase/(-) Decrease in other current liabilities	0.20	(0.36)
Cash Generated from /(-)used in Operations	(109.09)	107.56
<b>Income Taxes Paid (Net of refunds)</b>	<b>(198.48)</b>	<b>(33.57)</b>
<b>Net Cash from/ (-)used in Operating Activities..... A</b>	<b>(307.57)</b>	<b>73.99</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale /redemption of Non current Investments	7223.14	1,173.50
Purchase of Investments	(7402.43)	(1,686.00)
Interest Received on Non Current & Current Investments	0.48	0.48
Dividend received on Non Current Investments	493.89	472.48
<b>Net Cash from/(-) used in Investing Activities..... B</b>	<b>315.08</b>	<b>(39.54)</b>

# PNB FINANCE AND INDUSTRIES LIMITED

PARTICULARS	For the year ended 31.03.2018 (₹ in lakhs)	For the year ended 31.03.2017 (₹ in lakhs)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(19.20)	(19.20)
Dividend distribution tax	(3.91)	(3.91)
<b>Net cash from/(-)used in financing activities ..... C</b>	<u>(23.11)</u>	<u>(23.11)</u>
<b>Net increase/(-) decrease in cash and cash equivalents ..... (A+B+C)</b>	<u>(15.60)</u>	<u>11.34</u>
<b>Cash and cash equivalents at the beginning of the year (opening balance)</b>	<b>28.25</b>	16.91
<b>Total cash and cash equivalents at the end of the year (closing balance)</b>	<b>12.64</b>	28.25
<b>Components of cash and cash equivalents:</b>		
Cash balance on hand	<b>0.10</b>	0.25
Balances with scheduled banks:		
In current accounts	<b>8.49</b>	7.22
In unclaimed dividend accounts	<b>4.05</b>	4.26
In Fixed Deposits	-	16.52
<b>Total</b>	<u><b>12.64</b></u>	<u>28.25</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 29, 2018

for and on behalf of the Board of Directors

**Govind Swarup**

Director

DIN: 00003145

**Shweta Saxena**

Company Secretary

Membership No. A18585

**Mohit Jain**

Director

DIN: 01315482

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### NOTE- 1: Significant accounting policies on consolidated financial statements

#### 1.1 Basis for preparation of consolidated financial statements

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

#### 1.2 Principles of Consolidation

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

- i) The Consolidated Financial Statements of the Company and it’s Subsidiary companies have been combined on line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra - group balances and intra - group transactions resulting in unrealised profits and losses.
- ii) The financial statements of the Company and it's Wholly Owned Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2018.
- 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 list of Subsidiaries which are included in the consolidation and the Company’s holdings therein are as under:

S. No.	Name of the Company	Ownership in % either directly or through subsidiary	
		2017-18	2016-17
	<b><u>Subsidiary Company (Indian)</u></b>		
1	<b>Punjab Mercantile and Traders Limited</b>	<b>100%</b>	100%
2	<b>Jacaranda Corporate Services Limited</b>	<b>100%</b>	100%
3	<b>Punjab Properties Limited*</b>	-	100%

\* Ceased as subsidiary as the entire shares held in by the Company were sold during the current financial year ended on March 31, 2018.

- 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 Fixed Assets**

Tangible Fixed Assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The Cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable expenses for bringing the assets to their present location and conditions for its intended use.

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

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

## **1.8 Depreciation**

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

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

## 1.9 Investments

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

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

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

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

## 1.10 Cash Flow Statement

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

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

## 1.11 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

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

## 1.12 Employee Benefits

Employee benefits have been recognized in the following ways :

### **Short term Employee Benefits**

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

### **Post-Employment benefits**

#### **Defined contribution Plan**

Employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both employees and employer make monthly contributions to the plan at a pre determined rate of employee's basic salary. These contributions to Provident Fund are administered and managed by a recognized Provident Fund Trust under Multi Employer Plans. Contributions by the Company to the Provident Fund are expensed in the Statement of Profit and Loss, when the contributions are due.

#### **Defined benefit Plan**

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

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

## **Other Long term Employee benefits**

### **Leave Encashment**

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

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

### **1.13 Earnings Per Share**

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

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

### **1.14 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

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

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

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

### **1.15 Impairment of Assets**

All assets are reviewed for impairment; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which the assets is identified as impaired.

### **1.16 Provisions & Contingencies**

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

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

**NOTE 2 Other disclosures to consolidated financial statements**

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

**2.2 Earnings per share**

Particulars	As at March 31, 2018	As at March 31, 2017
Net Profit / (loss) attributable to equity shareholders (in lakh) (A)	<b>1256.51</b>	572.63
Weighted average number of equity shares outstanding during the year (B)	<b>32,00,000</b>	32,00,000
Nominal value per equity share (in ₹)	<b>10.00</b>	10.00
Basic & diluted earnings per share (in ₹) (A) / (B)	<b>39.27</b>	17.89

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

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

**2.4 MAT credit entitlement**

The Company has accounted for and utilized MAT credit entitlement for ₹ 51.22 Lakh (Previous Year ₹ 17.39 Lakh) which is to the extent of MAT credit allowable for adjustment during the year against normal tax provision. The Company has not recognized MAT Credit Entitlement in full, as there is no virtual certainty of sufficient future taxable income against which such MAT credit entitlement can be adjusted.

**2.5 Fixed assets and depreciation**

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

**2.6 Employee benefits:**

As per Accounting Standard -15 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below: During the year, the Company has recognised the following amount in the Statement of Profit and Loss:

a) Defined Contribution Plan :

Employer’s Contribution to PF ₹ 1.03 Lakh /- (P.Y. ₹ 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)	
	31.03.18	31.03.17	31.03.18	31.03.17
Discounting rate	<b>6.50% p.a.</b>	6.75% p.a.	<b>6.50% p.a.</b>	6.75% p.a.
Future salary increase	<b>6.50% p.a.</b>	8.00% p.a.	<b>6.50% p.a.</b>	8.00% p.a.
Mortality table	<b>IALM (2006-08)</b>	IALM (2006-08)	<b>IALM (2006-08)</b>	IALM (2006-08)
Expected rate of return on plan assets	<b>N.A.</b>	N.A.	<b>N.A.</b>	N.A.
Expected average remaining working lives of employees	<b>19.92 Years</b>	20.92 Years	<b>19.92 Years</b>	20.92 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)	
	31.03.18	31.03.17	31.03.18	31.03.17
Present value of obligation as at the beginning of year	<b>4.18</b>	3.87	<b>3.55</b>	3.46
Past service cost	-	-	-	-
Current service cost	<b>0.41</b>	0.51	<b>0.24</b>	0.43
Interest cost	<b>0.28</b>	0.31	<b>0.23</b>	0.28
Benefits paid	-	-	-	-
Actuarial (gain)/loss	<b>(0.99)</b>	(0.51)	<b>(1.83)</b>	(0.62)
Present value of obligation as at the end of year	<b>3.89</b>	4.18	<b>2.19</b>	3.55

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.17
Carrying amount at the beginning of the year	4.18	3.87	3.55	3.46
Additional Provisions made/(-) reversed during the year	(0.29)	0.31	(1.36)	0.09
Amount used during the year	-	-	-	-
Carrying amount at the end of the year	3.99	4.18	2.19	3.55

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.17
Current service cost	0.41	0.51	0.23	0.43
Past service cost	--	--	--	--
Interest cost	0.28	0.31	0.24	0.28
Expected return on plan assets	--	--	--	--
Curtailement cost / (credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain) / loss recognized in the period	(0.99)	(0.51)	(1.83)	(0.62)
Expenses recognized in the Statement of Profit & Loss	(0.29)	0.31	(1.36)	0.09

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.17
Present value of obligation as at the end of period	3.89	4.18	2.19	3.55
Present value of obligation as at the beginning of the period	4.18	3.87	3.55	3.46
Benefits paid	--	--	--	--
Actual return on plan assets	--	--	--	--
Acquisition adjustment	--	--	--	--
Expenses recognized in the Statement of Profit & Loss	(0.29)	0.31	(1.36)	0.09

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

(Amount in ₹ lakhs)

Particulars	Gratuity (Non-funded)		Leave Encashment (Non-funded)	
	31.03.18	31.03.17	31.03.18	31.03.17
Current liability	0.08	0.07	0.04	0.06
Non current liability	3.81	4.11	2.15	3.49
<b>Total PBO at the end of the year</b>	<b>3.89</b>	<b>4.18</b>	<b>2.19</b>	<b>3.55</b>



**2.7 Segment reporting**

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

**2.8 Related party disclosures**

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

**a) List of Related Parties and Relationships**

Name of the Company/ Person	Relationship
Mr. Govind Swarup	Director
Mr. Mukesh Gupta	Director
Mr. Mohit Jain	Director
Mr. Ashish Verma	Director
Mrs. Saumya Agarwal	Director
M/s Punjab Properties Ltd.	Subsidiary Company (Up to 08 <sup>th</sup> November, 2017)
M/s Punjab Mercantile & Traders Ltd.	Subsidiary Company
M/s Jacaranda Corporate Services Ltd.	Subsidiary Company
Mrs. Shweta Saxena	KMP (Company Secretary)
Mrs. Vijaya Agarwal	KMP (Manager)
Mr. Viveka Nand Jha	KMP (Chief Financial Officer)

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

(Amount in ₹ lakhs)

Name of the Party	Nature of Transaction	Amount for the year ended		Amount Outstanding as on	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Mr. Govind Swarup	Director’s sitting fees	3.00	3.20	-	-
Mr. Mukesh Gupta	Director’s sitting fees	2.20	2.20	-	-
Mr. Ashish Verma	Director’s sitting fees	2.00	1.60	-	-
Mrs. Saumya Agarwal	Director’s sitting fees	1.00	1.00		
Mr. Viveka Nand Jha	Salary	11.49	10.29		
Mrs. Shweta Saxena	Salary	16.41	15.15	-	-
Mrs. Vijaya Agarwal	Salary	0.12	0.12	-	-

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

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

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

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

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

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

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

Name of the entity in the Consolidated Financial Statements	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (in ₹ lakhs)	As % of consolidated profit or loss	Amount (in ₹ lakhs)
1	2	3	4	5
<b>Parent</b>				
PNB Finance and Industries Limited	74.04%	8733.52	82.31%	1034.23
<b>Subsidiary Companies (Indian )</b>				
Jacaranda Corporate Services Limited	25.25%	2977.99	17.85%	224.31
Punjab Mercantile and Traders Limited	0.72%	84.66	(0.16%)	(2.03)
<b>Minority Interests in all subsidiaries</b>	-	-	-	-
<b>TOTAL</b>	<b>100.00%</b>	<b>11796.17</b>	<b>100.00%</b>	<b>1256.51</b>

### 3 Share capital

	As at 31.3.2018 (₹ in lakhs)	As at 31.3.2017 (₹ in lakhs)
<b>Share capital</b>		
Equity share capital		
<b>Authorised Share capital</b>		
50,00,000 equity shares of ₹ 10/-each	<u>500.00</u>	<u>500.00</u>
	<u>500.00</u>	<u>500.00</u>
<b>Issued share capital</b>		
32,00,000 shares of ₹ 10 each	<u>320.00</u>	<u>320.00</u>
	<u>320.00</u>	<u>320.00</u>
<b>Issued, subscribed &amp; fully paid share capital</b>		
a) 8,01,288.5 shares of ₹ 10 each fully paid up. (On reduction of share capital through High Court order dated 15.11.1973)	<u>80.13</u>	<u>80.13</u>
b) 23,98,711.5 shares of ₹ 10 each fully paid up. (including 131 equity shares of ₹ 10 each in the form of fractional coupons)	<u>239.87</u>	<u>239.87</u>
<b>Total</b>	<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, 2018.
- 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, 2018 (March 31, 2017 : ₹ 0.60 per Equity Share). The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.
- D.** In the event of the liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company, after meeting all liabilities .
- E. Details of Shareholders holding more than 5 % shares in the Company**

Name of Shareholder's	As at 31.3.2018	As at 31.3.2017
Artee Viniyoga Limited	<b>8,01,710</b>	8,01,710
Ashoka Viniyoga Limited	<b>6,51,660</b>	6,51,660
Camac Commercial Company Limited	<b>5,20,000</b>	5,20,000
Mr. Samir Jain	<b>5,18,827</b>	5,18,827
Mrs. Meera Jain	<b>1,96,000</b>	1,96,000
Combine Holding Limited	<b>1,61,437</b>	1,61,437

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Particulars	As at 31.3.2018 (₹ in lakhs)	As at 31.3.2017 (₹ in lakhs)
<b>4 Reserve &amp; surplus</b>		
<b>I. General reserve</b>		
As per last balance sheet	2,595.48	2,525.71
Add:- Additions during the year	64.86	69.77
Less : Adjustment due to De-Subsidiarisation	5.19	-
	<u>2,655.15</u>	<u>2,595.48</u>
<b>II. Special reserve U/s 45 -1 C of RBI Act,1934</b>		
As per last balance sheet	1,517.28	1,451.00
Add:- Additions during the year	202.23	66.28
Less : Adjustment due to De-Subsidiarisation	7.14	-
	<u>1,712.37</u>	<u>1,517.28</u>
<b>III. Share premium account</b>	103.91	103.91
<b>IV. Surplus</b>		
As per last balance sheet	6,066.67	5,710.93
Add:- profit after tax for the year	1,256.51	572.63
Less:-adjustment of post acquisition share in profits/(losses)of associates (net) upto 31.03.2016	-	80.84
Less:- Adjustment due to DE-Subsidiarisation	28.24	-
Less:- Transfer to special reserve	64.86	69.77
Less:- Transfer to special reserve	202.23	66.28
Less:- Transfer to dividend payment account	19.20	-
Less:- Transfer to dividend distribution tax	3.91	-
<b>Net surplus</b>	<u>7,004.74</u>	<u>6,066.67</u>
<b>Total (I+II+III+IV)</b>	<u>11,476.17</u>	<u>10,283.34</u>
<b>5 Long term provisions</b>		
<b>Provision for employee benefits</b>		
for leave encashment	2.19	3.49
for gratuity	3.89	4.11
<b>Other provisions</b>		
Provision for security deposit payable	-	17.15
<b>Total</b>	<u>6.08</u>	<u>24.75</u>
<b>6 Other current liabilities</b>		
Expenses payable	1.70	1.56
TDS payable	0.25	-
Unpaid dividend	4.05	4.26
<b>Total</b>	<u>6.00</u>	<u>5.82</u>
<b>7 Short term provisions</b>		
for leave encashment	-	0.06
for gratuity	-	0.07
<b>Total</b>	<u>-</u>	<u>0.13</u>

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## 8 Tangible fixed assets

Particulars	Gross carrying value				Depreciation			Net carrying value	
	As on 1.04.2017	Additions during the year	Deductions during the year	As on 31.03.2018	Upto 31.03.2017	For the year	Upto 31.03.2018	As on 31.03.2018	As on 31.03.2017
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Office Equipment (Computer)	4.04	-	0.01	4.03	3.73	0.15	3.88	0.15	0.31
<b>Total</b>	<b>4.04</b>	-	-	<b>4.03</b>	<b>3.73</b>	<b>0.15</b>	<b>3.88</b>	<b>0.15</b>	<b>0.31</b>
Previous Year	4.04	-	-	4.04	3.30	0.43	3.73	0.31	0.75

## 9 Non current investment

No of Shares/ Units** 31.03.2018	No of Shares/ Units** 31.03.2017	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2018 (₹ in lakhs)	*Value as at 31.03.2017 (₹ in lakhs)
<b>(A) Unquoted Equity Shares (Long Term)</b>					
52,297,848	52,297,848	Bennett, Coleman & Co Ltd.	10	26.98	26.98
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	-	-
		<b>Total</b>		<b>63.55</b>	63.55
		<b>Less: Provision for Diminution in Value of Investments***</b>		<b>4.01</b>	4.01
		<b>Total (A)</b>		<b>59.54</b>	59.54
<b>(B) Quoted Equity Shares (Long Term)</b>					
29,400	29,400	Susmit Trading Ltd.***	10	0.74	0.74
50,000	50,000	Jantej Commercial Enterprises Ltd.***	10	1.81	1.81
100,000	100,000	Sagar Investments Ltd.***	10	2.50	2.50
100	100	The Pioneer Ltd.***	10	0.02	0.02
100,975	100,975	Camac Commercial Co. Ltd.	10	8.43	8.43
4,900	4,900	Sahu Jain Ltd.	10	0.45	0.45
92,000	92,000	Combine Holding Ltd.	10	6.11	6.11
59,100	59,100	Ashoka Viniyoga Ltd.	10	5.91	5.91
1,219,140	1,219,140	HDFC Bank Ltd.	2	140.90	140.90
		<b>Total</b>		<b>166.87</b>	166.87
		<b>Less: Provision for Diminution in Value of Investments***</b>		<b>5.07</b>	5.07
		<b>Total (B)</b>		<b>161.80</b>	161.80
<b>(C) Debentures - Unquoted (Long Term)</b>					
6,000	6,000	Arcus Ltd. (Formerly Known as Parshva Properties Ltd. )	100	3.23	3.23
		<b>Total (C)</b>		<b>3.23</b>	3.23

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No of Shares/ Units** 31.03.2018	No of Shares/ Units** 31.03.2017	Particulars	Face Value Per Share / Unit (In ₹)	*Value as at 31.03.2018 (₹ in lakhs)	*Value as at 31.03.2017 (₹ in lakhs)
<b>(D) Mutual Funds - Unquoted (Long Term)</b>					
614,057	1,108,633	HDFC Floating rate fund-Short Term - Direct Plan -Growth	10	144.77	261.36
4,062,796	4,062,796	HDFC Corporate Debt Opportunities Fund - Direct Plan -Growth	10	467.20	467.20
8,939,646		- HDFC Banking & PSU Debt Fund Direct Plan -Growth	10	1,190.00	-
5,253,986	5,322,214	UTI Dynamic Bond Fund -Direct Plan - Growth	10	690.94	702.09
4,474,909	4,721,852	UTI Income Oppurtunities Fund -Direct Plan -Growth	10	598.00	631.00
-	11,484	UTI Liquid Cash Plan -Institutional -Direct Plan -Growth	1000	-	288.46
-	3,565,209	Kotak Bond Scheme Plan A-Direct Plan-Growth	10	-	1,436.28
5,008,774		- Kotak Bond Short Term -Direct Plan-Growth	10	1,589.44	-
-	12,397,610	ICICI Prudential Long Term Plan-Direct Plan-Growth	10	-	2,076.30
4,486,508		- ICICI Prudential Short Term Plan-Direct Plan-Growth	10	1,585.40	-
-	168,219	Aditya Birla Sun Life Cash Plus -Direct Plan - Growth	100	-	719.00
1,920,312	375,188	Aditya Birla Sun Life Short Term Fund -Direct Plan - Growth	10	1,147.50	178.50
2,505,868	2,505,868	Aditya Birla Sun Life Short Term Oppurtunities Fund -Direct Plan - Growth	10	600.00	600.00
-	616,359	Aditya Birla Sun Life Dynamic Bond Fund -Direct Plan-Growth	10	-	160.00
6,226,776	6,226,776	Reliance Regular Saving Fund -Debt Plan -Direct Plan - Growth	10	1,239.57	1,239.57
-	779,734	Reliance Dynamic Bond Fund -Direct Plan - Growth	10	-	156.00
-	41,325	Reliance Liquid Fund -Cash Plan -Direct -Growth	1000	-	1,026.00
897,256		- Reliance Floating Rate Fund -Short Term Plan-Direct Plan -Growth	10	247.00	-
5,772,787		- IDFC Super Saver Income Fund Medium Term Plan -Direct -Growth	10	1,652.00	-
3,308,332	3,326,714	IDFC Corporate Bond Fund -Direct-Growth	10	360.00	362.00
<b>Total (D)</b>				<b>11,511.82</b>	<b>10,303.76</b>
<b>{{(A)+(B)+(C)+(D)}</b>				<b>11,736.38</b>	<b>10,528.32</b>
<b>Aggregate Market Value of Quoted Investments ****</b>				<b>23,900.94</b>	<b>18,398.24</b>
<b>Aggregate Value of Unquoted Investments(A+C+D)</b>				<b>11,599.60</b>	<b>10,366.53</b>

\* Investments are stated at cost.

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

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

\*\* Units are rounded off to the nearest Unit.

\*\*\*\* As at 31st March, 2018, wherever the Quoted Equity Shares have not been traded/No latest quotation is available, then Net Asset Value based on last audited Financials Statements have been considered.

# PNB FINANCE AND INDUSTRIES LIMITED

Particulars	As at 31.3.2018 (₹ in lakhs)	As at 31.3.2017 (₹ in lakhs)
<b>10 Deferred tax assets (net)</b>		
<b>Assets on account of</b>		
Carried forward losses under the Income tax Act	28.71	43.27
Accrued expenses allowable on payment basis	1.69	2.55
	<u>30.40</u>	<u>45.82</u>
<b>Liabilities on account of</b>		
Difference in depreciation rates	(0.02)	(0.06)
	<u>(0.02)</u>	<u>(0.06)</u>
<b>Net deferred tax assets</b>	<u>30.42</u>	<u>45.88</u>
<b>11 Long term loans and advances</b>		
Advance income tax / TDS (net of tax provisions)	28.37	30.85
<b>Total</b>	<u>28.37</u>	<u>30.85</u>
<b>12 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	0.10	0.25
<b>Bank balances</b>		
Balances with HDFC Bank Ltd., New Delhi (current account)	8.49	7.22
<b>Total (I)</b>	<u>8.59</u>	<u>7.47</u>
<b>Other Bank Balances</b>		
Fixed deposit with banks	-	16.52
<b>Unclaimed Dividend</b>		
Unclaimed Dividend Account with HDFC Bank Ltd. New Delhi	4.05	4.26
<b>Total (II)</b>	<u>4.05</u>	<u>20.78</u>
<b>Total (I+II)</b>	<u>12.64</u>	<u>28.25</u>
<b>13 Short term loans and advances</b>		
Prepaid expenses	0.08	0.06
<b>Total</b>	<u>0.08</u>	<u>0.06</u>
<b>14 Other current assets</b>		
Unsecured loan (considered doubtful)	18.39	18.39
Less : provision for doubtful debts	18.39	18.39
	<u>-</u>	<u>-</u>
Accrued interest	0.21	0.21
Leasehold land at cost	-	0.15
<b>Total</b>	<u>0.21</u>	<u>0.36</u>

## PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.3.2018 (₹ in lakhs)	For the year ended 31.3.2017 (₹ in lakhs)
<b>15 Other income</b>		
Dividend from non current (Long Term) investment	493.89	459.15
Interest on debentures (Long Term)	0.48	0.48
Profit on sale of non current (Long Term) investments	1,042.49	224.84
Misc. income	0.02	2.62
Excess provision written back	1.67	-
Incentive on investments	-	0.96
<b>Total</b>	<b>1,538.55</b>	<b>688.05</b>
<b>16 Employee benefit expenses</b>		
Salaries	29.52	26.81
Contribution to provident fund	1.15	1.16
Staff welfare expenses	0.78	0.72
Gratuity	-	0.31
Leave encashment	-	0.09
<b>Total</b>	<b>31.45</b>	<b>29.09</b>

## PNB FINANCE AND INDUSTRIES LIMITED

Particulars	For the year ended 31.3.2018 (₹ in lakhs)	For the year ended 31.3.2017 (₹ in lakhs)
<b>17 Other expenses</b>		
Directors meeting fee	8.20	8.00
Legal and professional charges	7.98	21.49
Filing fees	0.09	0.16
Printing & stationery	1.90	1.82
Miscellaneous expenditure	0.15	0.15
Postage & telephone charges	1.06	0.99
Conveyance expenses	4.17	4.06
Advertisement expenses	0.39	0.33
AGM expenses	0.76	0.79
Listing fees	0.29	0.29
Depository fess	0.21	0.21
Document storage charges	1.62	-
Service tax paid	0.32	2.65
GST paid	1.66	-
Software charges	3.53	-
Advaces written off	2.80	-
Payment to Auditor's		
Audit fees (inclusive of service tax)	0.89	0.95
For Other services	0.19	0.17
CSR Contribution for 2014-15	-	1.43
CSR Contribution for 2015-16	-	12.26
<b>Total</b>	<b>36.21</b>	<b>55.75</b>

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 29, 2018

for and on behalf of the Board of Directors

**Govind Swarup**

Director

DIN: 00003145

**Shweta Saxena**

Company Secretary

Membership No. A18585

**Mohit Jain**

Director

DIN: 01315482

**Viveka Nand Jha**

Chief Financial Officer

PAN - AEXPJ2176H



**PNB FINANCE AND INDUSTRIES LIMITED**

**CIN:L65929DL1947PLC001240**

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

**ATTENDANCE SLIP**

**123<sup>rd</sup> Annual General Meeting  
2017 - 2018**

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 123<sup>rd</sup> Annual General Meeting of the Company held on Thursday, the 27<sup>th</sup> day of September, 2018 at 10:30 A.M. at Institute of Engineer Bhawan, 2<sup>nd</sup> Bahadur Shah Zagar 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.



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

e-mail: pnbfinanceindustries@gmail.com

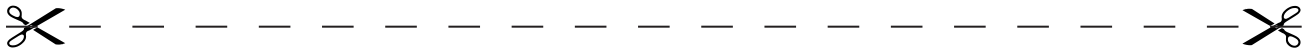
website: www.pnbfinanceandindustries.com

**123<sup>rd</sup> Annual General Meeting - September 27, 2018**

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 123<sup>rd</sup> Annual General Meeting of the Company, to be held on the 27<sup>th</sup> day of September, 2018 at 10:30 a.m. at Institute of Engineer Bhawan, 2<sup>nd</sup> Bahadur Shah Zagar 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 the consolidated financial statements) of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and auditors thereon.
- 2. Approval of dividend for the financial year ended March 31, 2018.

**Special business:**

- 3. Appointment of Mr. Rakesh Dhamani (DIN: 07065199) as Non-Executive Independent Director of the Company.
- 4. Appointment of Mr. Vijay Kumar Bakshi as Manager of the Company.

Signed this..... day of..... 2018  
Signature of shareholder  
Signature of Proxy holder(s)



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.

