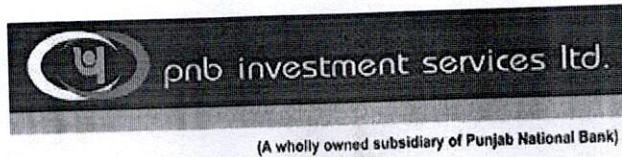




pnb investment services ltd.

(A wholly owned subsidiary of Punjab National Bank)

14th ANNUAL REPORT 2022-23



10, Rakesh Deep Building,
Yusuf Sarai Commercial Complex,
Gulmohar Enclave, New Delhi-110049

NOTICE OF FOURTEENTH (14th) ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of the members of PNB Investment Services Limited will be held on 16th September, 2023 at 1:30 p.m. at Punjab National Bank, HO, 5th Floor Syndicate Room, New Delhi-110075 to transact the following businesses:

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Financial Statements of the Company comprising Balance Sheet as at March 31, 2023 and the Profit and Loss Account for the year ended on that date together with the Report of the Director's and Statutory Auditors thereon, including the comments of the Comptroller and Auditor General of India.**

- 2. Declaration of Dividend on equity shares for the F.Y 2022-23**

To consider and if thought fit, to pass with or without modification (s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to provision of Section 123 and other applicable provisions of the Companies Act, 2013, dividend @ 10% (i.e. Re. 1 per equity share of Rs. 10 each) be and is hereby declared for the Financial Year 2022-23, out of the profits of the Company on the 2,00,00,000 equity shares of Rs. 10 each fully paid up to be paid as per the ownership."

- 3. To appoint Dr. Rajesh Kumar Yaduvanshi (DIN- 07206654) as Director, who retires by rotation and, being eligible, offers himself for re-appointment.**

To consider and if thought fit, to pass with or without modification (s), the following resolution as ordinary Resolution:

"RESOLVED THAT Dr. Rajesh Kumar Yaduvanshi, Director who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director."

- 4. To appoint the Statutory Auditors and to fix their remuneration for FY 2023-24.**

The Company being a Government Company under section 139(5) of the Companies Act 2013, the power to appoint the Statutory Auditors vests with the Comptroller & Auditor- General of India (CAG) in respect of a financial year with in a period of one hundred and eighty days from the commencement of the financial year, who shall hold office till the conclusion of the Annual General Meeting.

Further, in terms of section 142(1) of the Companies Act 2013, the remuneration payable to the Statutory Auditors is to be decided by the Company in the Annual General Meeting or in such manner as the company in General Meeting may determine.

Since the company has not received the letter from CAG with respect to the appointment of Statutory Auditor for FY 2023-24 till date, it is proposed that whenever company received the letter from CAG regarding the appointment of Statutory Auditor with the name of existing auditor firm or with the new firm, it will be deemed to be appointed as Statutory Auditor of the Company for the FY 2023-24.

The remuneration as mentioned below may be continued to be paid to the Statutory Auditors for the financial year 2023-24.

S. No.	Particulars	Remuneration Proposed for FY 2023-24 (Amount in Rs)
1.	Audit Fee inclusive of limited review	1,30,000/-
2.	Tax Audit Fee	42,500/-
3.	Certifications	20,000/-
4.	Conveyance	5,000/-
	Total	1,97,500/-

To consider and if thought fit, to pass with or without modification (s), the following resolutions for appointment and fixation of the remuneration for the Statutory Auditors for the financial year 2023-24 as Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company, be and is hereby authorized to take all such steps as may be necessary for the purpose of fixation of remuneration of Statutory Auditors whosoever is appointed by the CAG for FY 2023-24.”

SPECIAL BUSINESS

5. **Confirmation of appointment of Sh. Binod Kumar (DIN: 07361689) as Nominee Director (Non- Executive) of the Company**

To consider and if thought fit, to pass with or without modification (s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules made thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force), Sh. Binod Kumar (DIN: 07361689) who was appointed as Nominee Director (Non- Executive) of the company by the Board in its meeting on 21.01.2023 in terms of Section 161 (1) of the Companies Act, 2013 and holds office upto date of this General Meeting, be and is hereby appointed as a Nominee Director of the Company and liable to retire by rotation.

RESOLVED FURTHER THAT the Managing Director & CEO/ COO & CFO/Company Secretary of the Company, be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.”

6. **Confirmation of appointment of Smt. Mousumi Majumder (DIN- 10243557) as Nominee Director (Non- Executive) of the Company**

To consider and if thought fit, to pass with or without modification (s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules made thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force), Smt. Mousumi Majumder (DIN: 10243557) who was appointed as Nominee Director (Non-Executive) of the company by the Board in its meeting on 27.07.2023 in terms of Section 161 (1) of the Companies Act, 2013 and holds office upto date of this General Meeting, be and is hereby appointed as a Nominee Director of the Company and liable to retire by rotation.

RESOLVED FURTHER THAT the Managing Director & CEO/ COO & CFO/Company Secretary of the Company, be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.”

7. **Confirmation of appointment of Shri Anant Upadhyay (DIN- 08847156) as an Independent Director**

To consider and if thought fit, to pass with or without modification (s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 (6), Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV of the Act, as amended from time to time, Shri Anant Upadhyay (DIN:08847156), who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the Act and who is eligible for appointment as independent director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of three years w.e.f 21.08.2023, whose term shall not be subject to retire by rotation.

RESOLVED FURTHER THAT the Managing Director & CEO/COO & CFO/Company Secretary of the Company, be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.”

8. **Confirmation of appointment of Sh. Arvind Kumar Jain (DIN:07911109), as an Independent Director**

To consider and if thought fit, to pass with or without modification (s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 (6), Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV of the Act, as amended from time to time, Sh. Arvind Kumar Jain (DIN:07911109) who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the Act and who is eligible for appointment as independent director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of three years w.e.f 28.10.2023, whose term shall not be subject to retire by rotation.

RESOLVED FURTHER THAT the Managing Director & CEO/COO & CFO/Company Secretary of the Company, be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.”

9. **Confirmation of appointment of Sh. Santosh Kumar (DIN-10166739), as Managing Director & CEO of the Company and Remuneration Payable to him**

To consider and if thought fit, to pass with or without modification (s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, the appointment of Sh. Santosh Kumar (DIN-10166739) as Managing Director & CEO of the Company, candidature of whom has been recommended by the Board, be and is hereby approved by the members for the period of 3 year or until further orders by the bank whichever is earlier.

RESOLVED FURTHER THAT the remuneration payable to Sh. Santosh Kumar shall be as applicable to his scale in Punjab National Bank along with all other perquisites as applicable to him. The Salary and perquisites are subject to changes as per amendment made in HR policy of Punjab National Bank on time-to-time basis. He shall not be entitled to the sitting fees for attending the meetings of the Board or Committee thereof.

RESOLVED FURTHER THAT Chief Operating Officer & CFO/ Company Secretary of the Company, be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.”

Place: New Delhi

Date: 09.09.2023

**By Order of the Board of Directors
For PNB Investment Services Limited**

**Sd/-
Isha Goel
Company Secretary
(ACS: 46828)**

Notes:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A proxy form is enclosed. The instrument appointing a proxy should, however be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- B. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 10.00 a.m. to 5.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.
- C. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of anybody corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be a true copy, shall have been deposited at the Registered Office of the Company not less than forty eight (48) hours before the scheduled time of the commencement of the meeting.
- D. The details pertaining to the appointment / reappointment of Director are furnished in statement of Corporate Governance in the Directors' Report/ in the Explanatory Statement in the notice.
- E. Members/ proxies should bring their copy of the Annual Report for reference at the meeting as also the attendance slip duly filled in for attending the meeting.
- F. Members holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
- G. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, in respect of the ordinary business & special business under item No. 3, 5,6,7,8 & 9 is annexed hereto.
- H. The communication address of M/s BEETAL Financial & Computer Services Private Limited, Registrar and Share Transfer Agent (RTA)of the company is BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, and New Delhi 110062.

To: All Shareholders, Directors and Auditors

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Dr. Rajesh Kumar Yaduvanshi (DIN- 07206654) as Director, who retires by rotation and, being eligible, offers himself for re-appointment

Dr. Rajesh Kumar Yaduvanshi, (DIN- 07206654) was appointed as Nominee Director of the Company by the Board of Directors through circulation on 05.02.2022 a under Section 161(1) of the Companies Act, 2013 and confirmed in Annual General Meeting of the Company on 22.02.2022.

A brief profile of Dr. Rajesh Kumar Yaduvanshi is provided in the "Annexure" to the Notice pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

None of the Directors/Key managerial personnel / relatives of the Directors or Key managerial personnel/of the Company except Dr. Rajesh Kumar Yaduvanshi may be deemed to be concerned or interested in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 for the approval of Members.

Item No. 5

Confirmation of appointment of Sh. Binod Kumar (DIN: 07361689) as Nominee Director of the Company

Sh. Binod Kumar (DIN: 07361689) was appointed as Nominee Director of the Company (Nominated by Punjab National Bank) pursuant to the applicable provisions of the Companies Act, 2013, read with applicable rules thereunder and Clause 52 of the Articles of Association of the Company in the board meeting held on 21.01.2023.

A brief profile of Sh. Binod Kumar is provided in the "Annexure" to the Notice pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

None of the Directors/Key managerial personnel / relatives of the Directors or Key managerial personnel/of the Company except Sh. Binod Kumar may be deemed to be concerned or interested in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 for the approval of Members.

Item No. 6

Confirmation of appointment of Smt. Mousumi Majumder (DIN- 10243557) as Nominee Director of the Company

Smt. Mousumi Majumder (DIN: 10243557) was appointed as Nominee Director (Nominated by Punjab National Bank) pursuant to the applicable provisions of the Companies Act, 2013, read with applicable rules thereunder and Clause 52 of the Articles of Association of the Company in the board meeting held on 27.07.2023.

A brief profile of Smt. Mousumi Majumder is provided in the "Annexure" to the Notice pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

None of the Directors/Key managerial personnel / relatives of the Directors or Key managerial personnel/of the Company except Smt. Mousumi Majumder may be deemed to be concerned or interested in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 for the approval of Members.

Item No. 7

Confirmation of appointment of Shri Anant Upadhyay (DIN- 08847156) as an Independent Director

The term of Sh. Anant Upadhyay as Independent Director was going to be completed on 21.08.2023. In terms of Section 149(10) an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company.

Accordingly, the Board had re-appointed Shri Anant Upadhyay as an Independent Director of the Company on 21.08.2023 for the period of next three years.

A brief profile of Sh. Anant Upadhyay is provided in the "Annexure" to the Notice pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

None of the Directors/Key managerial personnel / relatives of the Directors or Key managerial personnel/of the Company except Sh. Anant Upadhyay may be deemed to be concerned or interested in the said resolution.

The Board recommends the Special Resolution set out at Item No. 7 for the approval of Members.

Item No. 8

Confirmation of appointment of Sh. Arvind Kumar Jain (DIN:07911109), as an Independent Director

The term of Sh. Arvind Kumar Jain as Independent Director is going to be completed on 28.10.2023, In terms of Section 149(10) an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company.

Accordingly, the Board had re-appointed Shri Arvind Kumar Jain as an Independent Director of the Company on 21.08.2023 for the period of next three years.

A brief profile of Sh. Arvind Kumar Jain is provided in the "Annexure" to the Notice pursuant to the provisions of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

None of the Directors/Key managerial personnel / relatives of the Directors or Key managerial personnel/of the Company except Sh. Arvind Kumar Jain may be deemed to be concerned or interested in the said resolution.

The Board recommends the Special Resolution set out at Item No. 8 for the approval of Members.

Item No. 9

Confirmation of appointment of Sh. Santosh Kumar (DIN-10166739), as Managing Director & CEO of the Company and Remuneration Payable to him

Sh. Santosh Kumar (DIN-10166739) was appointed as an Additional Director of the company by the Board of Directors in the meeting held on 26.05.2023 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and holds office upto the date of this General Meeting and is eligible for appointment as MD & CEO of the Company.

The Company had also received a letter dated 21.04.2023 from Punjab National Bank informing that authorities of the Bank have decided to appoint Sh. Santosh Kumar, Dy. General Manager, PNB as Managing Director & CEO of PNB Investment Services Ltd. on deputation basis. A brief profile of Sh. Santosh Kumar is provided in the "Annexure".

The elevation of Sh. Santosh Kumar (DIN-10166739) to the post of MD& CEO of company has been considered by the Nomination and Remuneration Committee and the Board. He fulfils the eligibility criteria for the post MD & CEO, as enunciated in the Nomination and Remuneration Policy of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as a Director. Company envisages that it will be immensely benefited with rich experience of Sh. Santosh Kumar by taking him on the Board.

It is proposed to seek Members' approval for the appointment of Sh. Santosh Kumar as a Managing Director & CEO of the Company at a remuneration payable to him as applicable to his in Punjab National Bank. He will be further entitled to other perquisites as payable to his Scale of Punjab National Bank. The Salary and perquisites are subject to changes as per amendment made in HR policy of Punjab National Bank on time-to-time basis.

None of the Directors/Key managerial personnel / relatives of the Directors or Key managerial personnel/of the Company except Sh. Santosh Kumar may be deemed to be concerned or interested in the said resolution.

The Board recommends the Special Resolution set out at Item No. 9 for the approval of Members.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company

Name of Director	Dr. Rajesh Kumar Yaduvanshi	Sh. Binod Kumar	Smt. Mousumi Majumder	Sh. Anant Upadhyay	Sh. Arvind Kumar Jain	Sh. Santosh Kumar
Date of Birth	23.06.1961	01.01.1971	28.05.1969	07.09.1958	13.01.1957	11.05.1973
Qualification	B.Sc, M.Sc, Doctorate of Philosophy, IARI and is a Certified Associate of Indian Institute of Bankers (CAIIB)	He is a Graduate in science from Ranchi University and holds Post Graduate Diploma in Banking & Finance from NIBM, Financial Risk Manager (FRM) from GARP (USA) and a Certified Associate Member of Indian Institute of Bankers (CAIIB).	She holds a degree in Chemistry and has completed the Certification of CAIIB (Certified Associate of the Indian Institute of Bankers).	Executive Post Graduate Program in Business Management - SIES College of Management Studies Mumbai- Advance Management Program - Indian Institute of Banking & Finance and SIES College of Management Studies- B.A Honors - Patna University	B.Sc. (Hons), M.Sc., LLB & CAIIB and empaneled with Independent Directors Databank (IICA Certified)	He holds double graduate degrees from Banaras Hindu University and is a Certified Associate of Indian Institute of Bankers. He has won several state and central government scholarships during course of his studies. He holds two-year Undergraduate Diploma in French Language from BHU and has represented BHU in University contests.
Expertise in specific functional areas	Dr. Rajesh Kumar Yaduvanshi has a rich banking experience of over 35 years of experience in	Shri Binod Kumar assumed charge as Executive Director of the	Smt. Mousumi Majumder is currently serving as the General Manager,	Sh. Anant Upadhyay comes with 35+ years of experience in the	Mr. Arvind Kumar Jain served as an Executive Director of Punjab & Sind bank till	Sh. Santosh Kumar has assumed charge as Managing Director & CEO of

	<p>branches/administrative offices, besides heading Jalandhar Circle & Delhi Zone of PNB and going on to serve as the Executive Director of Dena Bank & Punjab National Bank while handling important portfolios such as Credit, HR, Finance, Marketing, NPAs, Bancassurance, etc.</p>	<p>Bank on 21st November, 2022. He has started his banking journey in Punjab National Bank as Management Trainee in the year 1994 and has served the bank for last 28 years. He has rich and diversified banking experience of over 28 years, ranging from Branch and Administrative Office to Risk Management, Credit etc. He has also headed BO: DIFC as Chief Executive Officer and was previously heading the Corporate Credit Division, Head Office of Punjab National Bank as</p>	<p>Corporate Credit at Punjab National Bank, bringing with her three decades of banking experience. Her banking career began in 1992 when she joined Oriental Bank of Commerce as a probationary officer in Kolkata. Over the years, she has held various roles in different locations including Delhi, Mumbai, Ludhiana, and Kolkata. With 15 years of experience in leadership positions, she is known for her passion for banking and enjoys working with teams.</p>	<p>field of Banking and Insurance. * He is Proficient in major aspect of bank management and operations including Strategy and Economic Intelligence, Change Management and Exposure to international banking in multi-currency environment at Hong Kong * He had by of Ministry of Finance, Govt. of India in consultation with Central Vigilance Commission for deputation as Chief Vigilance Officer (CVO) at State bank of Patiala and New</p>	<p>January 2017. Up to Chief General Manager in Oriental Bank of Commerce, he holds a strong professional banking experience of over 38 years in Treasury, Corporate Credit, International Banking, Equity & Debt Capital raising, Compliances and Risk Management. Currently, Director on the Board of NBFCS, Asset Management, Insurance, Venture Capital & other companies besides Member of Review Rating Committee of a leading Rating Agency.</p>	<p>PNBISL on 2nd May 2023. Before joining as MD& CEO at PNBISL, he was holding the position of CEO of PNB DIFC Dubai, where he led the Branch as the leading Indian lender in UAE. Shri Kumar started his banking journey in Punjab National Bank as Management Trainee in the year 2000 and has served the bank for last 22 years. He carries a rich and diverse banking exposure mainly in areas of Treasury, International Banking, and also as business unit head in the field. He also carries of experience</p>
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	<p>Chief Manager.</p> <p>Shri. Kumar has in Diploma in Treasury Investment & Risk Management, & Banking by IIBF and Leadership Skill development Program from IIM Bangalore.</p> <p>He has also served as the Nominee Director on behalf of PNB on the Board of PNB Housing Finance Limited & ISARC (India SME Asset Reconstruction Company Limited).</p>	<p>Throughout her career, Smt. Mousumi Majumder has been recognized and awarded multiple times for her achievements as a team leader. She received awards from the MD & CEO club in 2014 and 2022. She has also undergone extensive training from reputable institutions such as CAFRAL (Centre for Advanced Financial Research and Learning), IRDBT Hyderabad (Institute for Development and Research in Banking Technology), and Banker's Quotient Academy.</p>	<p>India Assurance including additional charge at NABARD</p> <p>* He was Chief Financial Officer (CFO) at Bank of India (BOI), responsible for accurate disclosures to SEBI and RBI. Further, conducting Analysts and press meets with respect to guidance and strategy of the bank.</p> <p>* He has 5 years of experience as a member faculty at the BOI staff training college, Delhi. Areas of specialization were HR and Soft skill training, Leadership, Fraud Control, International</p>	<p>working in Administrative offices like Circle Office and Head Office of the Bank. He is having hands on professional knowledge and experience from Desk Officer to Senior Executive in Forex and Integrated Treasury functions. He is well versed in areas such as: Dealing in Foreign Currency and Precious Metals, Derivatives, Correspondent Banking, Trade Finance, Remittances, Non-Resident accounts, maintenance of Nostro/ Vostro A/c.</p>
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	He is an avid follower of tennis and cricket.			banking including FEMA Regulation, Credit risk management.	She is been identified by Banking Board of Bureau, for the Leadership Development Programme for Senior Management of Public Sector Banks in 2021-22. In addition to her banking responsibilities, she is actively involved with various NGOs that focus on the welfare of stray animals, showcasing her commitment to social causes.	
	Nil	Nil	Independent Director for appointment the period of	Independent Director for appointment the period of	Independent Director for appointment the period of	Managing Director & CEO (Director liable to retire by rotation)
No. of Equity shares held in the Company on behalf of PNB	Nil	Nil	Nominee Director (Director liable to retire by rotation)	Nominee Director (Director liable to retire by rotation)	Nominee Director (Director liable to retire by rotation)	Nominee Director (Director liable to retire by rotation)

				three years (Director liable to retire by rotation)	three years (Director liable to retire by rotation)	
Relationship with any other Director inter-se and KMPs of the Company	None	None	None	None	None	None

Place: New Delhi

Date: 09.09.2023

**By Order of the Board of Directors
For PNB Investment Services Limited**

Sd/-

**Isha Goel
Company Secretary
(ACS: 46828)**

Form No. MGT-11
Proxy form

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

CIN:

Name of the company: PNB INVESTMENT SERVICES LIMITED

Registered office: NEW DELHI

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual general meeting/ Extraordinary general meeting of the company, to be held on the

..... day of..... At..... a.m. / p.m. at..... (Place) and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.....

2.....

3.....

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Affix REVENUE STAMP

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

**ROUTE MAP TO THE VENUE OF THE 14 ANNUAL GENERAL MEETING ON SATURDAY,
16TH SEPTEMBER, 2023 AT 1.30 P.M.**





Independent Auditor's Report
To the members of PNB Investment Services Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of **PNB Investment Services Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2023, its Profit (financial performance) and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw the attention to Note 40 of the financial statement, which outline the fact the debtors have not confirmed their balances. Our opinion is not modified in respect of this matter.

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

5. The Company's Board of Directors are responsible for the preparation of the other information. Other Information does not include the financial statements and our auditor's report thereon.
6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
8. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



FIRM REGISTRATION NO. 000643N/N500012
Email : sanjeev.mitla@sharmagoel.in



Management's Responsibilities for the Financial Statements

9. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standard specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



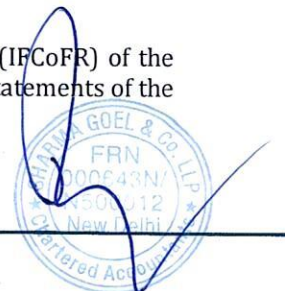
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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

16. In our opinion and according to the information and explanation given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provision of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon us.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
18. 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 purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with accounting standards specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2023 in conjunction with our audit of the Financial Statements of the



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Company for the year ended on that date and our report dated 25 April 2023 as per **Annexure B** expressed unmodified opinion;

- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, does not have any pending litigation which would impact on its financial position as at 31 March 2023;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.
- h) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- i) As stated in Note 28 to the financial statements, the Board of Directors of the company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend
19. On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in terms of Section 143(5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India in "**Annexure C**".



FIRM REGISTRATION NO. 000643N/N500012
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SHARMA GOEL & CO. LLP
CHARTERED ACCOUNTANTS

For Sharma Goel & Co. LLP
Chartered Accountants
ICAI Firm's Reg. No.: 000643N/N500012




Rachit Mittal
Partner

Membership No.: 524105
UDIN: 235241058GQSON3185

Place: New Delhi
Date: 25/04/2023

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Annexure-A to the Independent Auditor's Report of even date to the members of PNB Investment Services Limited, on the Financial Statements for the year ended March 31, 2023

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The Company does not have any intangible assets. Accordingly, the provisions of Clause 3(i)(a)(B) of the Order are not applicable.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property. Accordingly, the provisions of Clause 3(i)(c) of the Order are not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year. Accordingly, the provisions of Clause 3(i)(d) of the Order are not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us and based on examination of the records of the company, the company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as

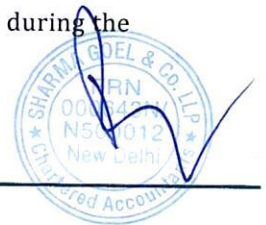


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Email : sanjeev.mitla@sharmagoel.in



amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of company's products/services. Accordingly, the provision of clause 3(vi) of the order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and services tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, Goods and services tax, duty of customs that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the order is not applicable.
- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any Long Term loans and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have prima facie not been used during the year for long term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, provisions of clause 3(x)(b) of the Order are not applicable.
- (xi) (a) No fraud by the Company or on the company has been noticed or reported during the period covered by our audit.



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- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company has not received any whistle-blower complaints during the year. Accordingly the provision of clause 3(xi)(c) of the order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanation given to us, the company is in compliance with Sections 177 and 188 of Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) (a) The Company has an adequate Internal Audit System in place that commensurate with the size and nature of its business.
- (b) We have considered the internal audit report of the company issued till date, for the period under audit.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Hence, reporting under clause 3 (xvi)(a), (b) and (c) of the order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) The company's statutory auditors have not resigned at any point of time during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of Current assets and payment of Current liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exist as on the date of our Audit Report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The company has transferred Rs. 5.86 Lakhs unspent Corporate Social Responsibility amount relating to financial year 2022-23 to fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. There is no unspent amount for current Year.



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SHARMA GOEL & CO. LLP
CHARTERED ACCOUNTANTS

- (b) There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, 3(xx)(b) of the Order is not applicable.

Place: New Delhi
Date: 25/04/2023

For Sharma Goel & Co. LLP
Chartered Accountants
ICAI Firm's Reg. No.: 000643N/N500012



Rachit Mittal
Partner

Membership No.: 524105
UDIN: 23524105BGQSON3185

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Annexure-B to the Independent Auditor's Report of even date to the members of PNB Investment Services Limited, on the Financial Statements for the year ended March 31, 2023

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to Financial Statements of **PNB Investment Services Limited** ("the Company") as of 31 March 2023, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors 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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR 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 IFCoFR 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: New Delhi
Date: 25/04/2023

For Sharma Goel & Co. LLP
Chartered Accountants
ICAI Firm's Reg. No.: 000643N/N500012



Rachit Mittal
Partner
Membership No.: 524105
UDIN: 23524105BGQSON3185

FIRM REGISTRATION NO. 000643N/N500012
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Annexure-C to the Independent Auditor's Report of even date to the members of PNB Investment Services Limited, on the Financial Statements for the year ended March 31, 2023

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of PNB Investment Services Limited for the year 2022-23

S. No	Areas Examined	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company)	According to the information and explanations given to us and based on our examination of the records of the company, there has been no restructuring/ waiver/ write off of debts/loans/interest etc. made by a lender due to the company's inability to repay the loan.
3.	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us and based on our examination of the records of the company, there has been no funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies.



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146
Balance Sheet as at 31st March, 2023

(Amount in '00')


Particulars	Note No.	As At 31/03/2023	As At 31/03/2022
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	2,000,000.00	2,000,000.00
(b) Reserves and Surplus	4	2,862,779.46	2,699,795.36
		4,862,779.46	4,699,795.36
(2) Non Current Liabilities			
(a) Long-Term Provisions	5	38,003.27	55,184.54
		38,003.27	55,184.54
(3) Current Liabilities			
(a) Short Term Borrowings	6	-	1,505.40
(b) Trade payables due to:	7		
- Micro & Small Enterprises		-	629.94
- Other than Micro & Small Enterprises		-	4,426.71
(b) Other Current Liabilities	8	82,138.94	77,116.15
(c) Short-Term Provisions	9	14,428.50	62,407.01
		96,567.44	146,085.21
	Total	4,997,350.17	4,901,065.11
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant and Equipment	10	18,132.59	18,170.44
(b) Deferred Tax Asset (Net)	11	21,822.73	33,617.90
(c) Long Term Loan and Advances		-	-
(d) Other Non-Current Assets	12	4,217,964.14	3,970,387.19
		4,257,919.46	4,022,175.53
(2) Current Assets			
(a) Trade Receivables	13	132,182.31	79,979.52
(b) Cash and Bank Balances	14	587,105.50	770,444.59
(c) Short-Term Loans and Advances	15	20,142.90	28,465.47
		739,430.71	878,889.58
	Total	4,997,350.17	4,901,065.11

Notes to Accounts 1-41

See accompanying notes to the Financial Statements

For and on behalf of Board of Directors

As per our report of even date


Arvind Kumar Jain
Independent Director
(DIN: 07911109)


Taufique Alam
Managing Director & CEO
(DIN: 09509383)


Gyanendra Kishor
Chief Operating Officer cum CFO


Isha Goel
Company Secretary
(Membership No. 46828)

For SHARMA GOEL & CO. LLP
Chartered Accountants
(ICAI Firm Reg. No. 000643N/N500012)


Rishi Mittal
Partner
(Membership No. 524105)



Place: New Delhi
Dated: 25/04/2023

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

Statement of Profit and Loss for the year ended 31st March, 2023

(Amount in '00')

Particulars	Note No.	Year Ended 31/03/2023	Year Ended 31/03/2022
INCOME			
Revenue from Operations	16	734,683.49	958,736.99
Other Income	17	263,727.38	251,289.70
Total Income		998,410.87	1,210,026.69
EXPENSES			
Employee Benefit Expenses	18	347,827.61	471,020.28
Finance Cost	19	100.81	355.15
Depreciation and Amortization Expenses	20	5,567.29	6,172.87
Other Expenses	21	159,849.82	122,777.81
Total Expenses		513,345.53	600,326.11
Profit Before Extraordinary & Exceptional Items		485,065.34	609,700.57
Exceptional Items		-	-
Profit Before Tax		485,065.34	609,700.57
Tax Expense:			
i) Current Tax	22	110,286.08	137,266.18
ii) Tax relating to earlier years	22	-	234.48
iii) Deferred Tax Liability/ (Asset)		11,795.17	16,846.10
Profit for the year after tax		362,984.09	455,353.81
Earning per Equity Share (EPS):			
(1) Basic	23	1.81	2.28
(2) Diluted		1.81	2.28

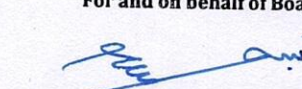
Notes to Accounts

1-41

See accompanying notes to the Financial


For and on behalf of Board of Directors

As per our report of even date


Arvind Kumar Jain
 Independent Director
 (DIN: 07911109)


Taufique Alam
 Managing Director & CEO
 (DIN: 09509383)


Gyanendra Kishor
 Chief Operating Officer cum CFO


Isha Goel
 Company Secretary
 (Membership No. 46828)

For SHARMA GOEL & CO. LLP
 Chartered Accountants
 (ICAI Firm Reg. No.000643N/NS00012)


Rachit Mittal
 Partner
 (Membership No. 524105)



Place: New Delhi
 Dated: 27/04/2023

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

Statement of Cash Flow for the year ended 31st March, 2023

(Amount in '00')

Particulars	Year Ended	
	March 31, 2023	March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	485,065.34	609,700.57
Adjustments to reconcile net income to get net cash from operating activities:		
Interest on Fixed Deposits	(246,668.17)	(226,796.51)
Depreciation and Amortization Expenses	5,567.29	6,172.87
Loss/(Profit) on written off of Fixed Assets	8.67	-
Interest Paid on Bank Overdraft	100.81	355.15
Increase in Security Deposit	(2,700.00)	-
Provision for Employee Benefits made/(reversed):		
- Gratuity	8,253.10	2,961.56
- Leave Encashment	6,645.95	(12,713.45)
Provision for doubtful debts/(Reversed)	(16,847.35)	(8,940.38)
Operating Profit/(Loss) before Working Capital Changes	239,425.66	370,739.82
Changes in current assets, Loans and Advances	(27,032.88)	126,421.30
Changes in current Liability/Provisions	(47,523.27)	16,376.66
Net Cash flow/(used in) from operations	164,869.51	513,537.78
Direct Taxes paid (including Interest)	144,360.90	103,656.93
Net Cash Flow/ (used in) operating activities	20,508.61	409,880.86
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments	(5,639.80)	(1,179.44)
Sale of Property, Plant & Equipments	101.69	-
(Increase)/Decrease in Fixed deposit accounts (having maturity more than 12 months)	(244,876.95)	(3,239,847.63)
Interest Income	246,668.17	226,796.51
Net cash flow/(used in) investing activities	(3,746.89)	(3,014,230.56)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including Dividend Distribution Tax)	(200,000.00)	(130,000.00)
Interest paid on Bank Overdraft	(100.81)	(355.15)
Net cash flow/(used in) financing activities	(200,100.81)	(130,355.15)
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(183,339.09)	(2,734,704.85)
Cash and Cash equivalents as at beginning of the year	770,444.59	3,505,149.44
Cash and Cash equivalents as at end of the year	587,105.50	770,444.59

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the "Accounting Standard -3" on cash flow statement notified under the Companies (Accounting Standard) Rules, 2006 as amended from time to time.
- Previous years figures have been regrouped / rearranged wherever found necessary to make them comparable with the current year figures.

For and on behalf of Board of Directors

Arvind Kumar Jain
Arvind Kumar Jain
Independent Director
(DIN: 07911109)

Taufique Alam
Taufique Alam
Managing Director & CEO
(DIN: 09509383)

Gyanendra Kishor
Gyanendra Kishor
Chief Operating Officer cum CFO

Isha Goel
Isha Goel
Company Secretary
(Membership No. 46828)

Place: New Delhi
Dated: 29/04/2023

As per our report of even date

For SHARMA GOEL & CO. LLP
Chartered Accountants
(ICAI Firm Regn. No.000643N/N500012)



Rachit Mittal
Rachit Mittal
(Partner)
(Membership No. 524105)

PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GO1187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 1: General Information

PNB Investment Services Limited is incorporated under companies Act 1956 [CIN: U65191DL2009GO1187146] on February 2, 2009 as a wholly owned subsidiary of Punjab National Bank, registered with SEBI as a Category 1 Merchant Banker. The Company commenced its operations on June 8, 2009. The Company is presently engaged in providing Merchant Banking, Corporate Advisory Services and Trusteeship Services etc.

The Registered office of the company is at 10, Rakesh Deep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave New Delhi DL 110049 IN

Note 2: Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with generally accepted accounting principles in India (GAAP), applicable statutory provisions, circulars and guidelines issued by various Regulatory Authorities and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 as amended upto date and the relevant provisions of Companies Act, 2013 to the extent applicable. All amounts are stated in Indian Rupees except as otherwise stated.

(b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements.

(c) Property, Plant & Equipment

Property, Plant & Equipments are stated at cost of acquisition less accumulated depreciation.

(d) Depreciation

Depreciation on Property, Plant & Equipment is provided as follows:-

- i) Assets for Own Use/Leased Assets: At Straight Line Method on pro rata basis.
- ii) All the assets are depreciated as per the useful life specified in Schedule II to the Companies Act, 2013 according to their respective balance useful life.

(e) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(f) Revenue Recognition

Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists a reasonable certainty of its recovery

- i) The revenue in respect of activities of Issue Management & Merchant Banking Services, Underwriting, Placement of Debt / Equity issues, Project Appraisal, Loan Syndication, Trusteeship Business and Corporate Advisory Services are accrued on the basis of stage of completion of assignment, in accordance with the terms of contracts entered into between the Company and the counterparty.
- ii) Interest income on Short term Deposits/ Fixed Deposits with banks is recognized on accrual basis.

(g) Receivables

i) Receivables are stated at original invoiced amount less provisions made for doubtful receivables. The Company regularly evaluates the probability of recovery and makes full provisions on trade receivable whose realisation are considered doubtful. Further, receivables outstanding for more than 24 months from the date of invoice are invariably considered doubtful. When the trade receivables are considered good, Company makes 50% provision on receivables outstanding for period exceeding 12 months and 10% provision on receivables outstanding for period exceeding 6 months but less than 12 months. When there is reasonable evidence that the Company will not be able to collect amounts due according to original terms of receivables, the same are considered as bad debts and written off in the books.

- ii) The amount retained by parties on account of TDS while making the payment are shown in trade receivable until TDS amount reflects in 26AS of the company.

(h) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GO1187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(i) Taxes on Income

i) Tax expense comprises both current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income that originates in one period and is capable of reversal in one or more subsequent periods.

ii) 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. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(j) Employee Benefits or Terminal Dues

Company commenced its operations in the year 2009-10, with staff on deputation from its parent company PNB. subsequently the company has recruited its own staff. In case of PNB employees on deputation, provision for terminal benefits etc are payable and provided for by PNB in its own books of accounts.

i) Gratuity:

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

ii) Leave Encashment:

All confirmed employees are eligible for Privilege Leave for maximum 30 days in a calendar year. 1 day for every 12 days worked excluding Privilege Leave and Loss of Pay availed during the year. Maximum accumulation of 120 days is allowed at any given time in the employee's service. The company has made provision of Leave Encashment on the basis of actuarial valuation which is done in accordance with Accounting Standard-15 on "Employee Benefits" based on the un-availed leaves of the company's employees as on Balance Sheet date.

(k) Provisions, Contingent Liabilities and Contingent Assets

i) Provisions :

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

ii) Contingent Liabilities :

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii) Contingent Assets :

Contingent assets are not recognized in the financial statements.

(l) Earning per share :

In determining basic earning per share, the Company considers the net profit after tax and includes the post-tax effect of any extraordinary items. The number of shares used in computing basic earning per share is weighted average number of shares outstanding during the year adjusted for any increase/decrease in the number of shares without corresponding change in resources.

(m) Diluted Earning Per Share:

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

(n) Prior Period Items

Income and expenditure relating to prior periods are disclosed separately in the financial statements subject to consideration of materiality.



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2023

(Amount in '00')

PARTICULARS	As At 31/03/2023	As At 31/03/2022
Note 3 : SHARE CAPITAL		
<u>Authorised Capital</u> 3,00,00,000 Equity shares of Rs. 10/- each	3,000,000.00	3,000,000.00
<u>Issued, Subscribed and Paid-up Capital</u> 2,00,00,000 Equity shares of Rs. 10/- each fully paid up	2,000,000.00	2,000,000.00
	2,000,000.00	2,000,000.00

Shares held by Holding/Ultimate Holding Company And/Or their Subsidiaries/Associates

Name of the shareholder	As At 31/03/2023	As At 31/03/2022
1) Punjab National Bank, the Holding Company and its nominees		
- No. of Shares	20,000,000.00	20,000,000.00
- % of Total Shareholding	100.00	100.00

Details of Shareholders holding more than 5% shares

Name of the shareholder	As At 31/03/2023	As At 31/03/2022
1) Punjab National Bank, the Holding Company and its nominees		
- No. of Shares	20,000,000.00	20,000,000.00
- % of Total Shareholding	100.00	100.00

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

Particulars	As At 31/03/2023	As At 31/03/2022
At the beginning of the year	20,000,000.00	20,000,000.00
Add:- Issued during the year	-	-
Outstanding at the end of the year	20,000,000.00	20,000,000.00

Share held by Promoters at the end of the year

Particulars	
Promoter Name	Punjab National Bank, the Holding Company
No. Of Shares	20,000,000
% of total shares	100%
% Change during the year	-

Terms/Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares with a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.

Note 4 : RESERVES AND SURPLUS		
Surplus in Statement of Profit and Loss		
Opening Balance	2,699,795.36	2,374,441.55
Less:		
Dividend Paid	200,000.00	130,000.00
	2,499,795.36	2,244,441.55
Add:		
Profit for the year	362,984.09	455,353.81
Closing Balance	2,862,779.46	2,699,795.36

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009G01187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2023

(Amount in '00')

PARTICULARS	As At 31/03/2023	As At 31/03/2022
Note 5 : LONG TERM PROVISIONS		
Provision for Employee Benefits:		
- Gratuity		
As per last year	20,011.95	28,645.65
Less: Paid during the year	928.66	7,309.52
	19,083.29	21,336.13
Add: Provision made during the year	-3,538.17	-1,324.18
Closing Balance	15,545.12	20,011.95
- Leave Encashment		
As per last year	35,172.59	78,381.57
Less: Paid during the year	-	22,421.94
	35,172.59	55,959.63
Add: Provision made during the year	-12,714.44	-20,787.04
Closing Balance	22,458.15	35,172.59
	38,003.27	55,184.54

Note 6 : SHORT TERM BORROWINGS		
(Secured)		
Loan Repayable on demand from a bank (Overdraft)*	-	1,505.40
	-	1,505.40

*Overdraft facility availed of Rs. 2 Crore is secured against fixed deposits with maturity more than 12 months (including interest accrued) of Rs. 2,48,53,911/- (PY Rs. 2,37,02,994)

Note 8 : OTHER CURRENT LIABILITIES		
Duties and Taxes	45,695.88	43,437.81
Advance Received from Customers	14,307.41	-
Expenses Payable	20,989.18	32,612.73
Other Payables	1,146.47	1,065.61
	82,138.94	77,116.15

Note 9 : SHORT TERM PROVISIONS		
Provision for:		
(A) Employee Benefits:		
- Gratuity		
As per last year	4,879.34	593.60
Less: Paid during the year	16,264.34	-
	-11,385.00	593.60
Add: Provision made during the year	11,791.27	4,285.74
Closing Balance	406.27	4,879.34
- Leave Encashment		
As per last year	10,750.67	3,767.49
Less: Paid during the year	28,791.00	1,090.41
	-18,040.33	2,677.08
Add: Provision made during the year	19,360.39	8,073.59
Closing Balance	1,320.06	10,750.67
(B) Provision for Income tax (net)	12,702.17	46,777.00
	14,428.50	62,407.01

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Note:7 Trade Payables ageing schedule as on 31st March '2023

Particulars	Outstanding for following periods from due date of payment				Total
	(Amount in '00')				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro & Small Enterprises	-	-	-	-	-
(ii) Other than Micro & Small Enterprises	-	-	-	-	-
(iii) Disputed dues - Micro & Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule as on 31st March '2022

Particulars	Outstanding for following periods from due date of payment				Total
	(Amount in '00')				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro & Small Enterprises	629.94	-	-	-	629.94
(ii) Other than Micro & Small Enterprises	4426.71	-	-	-	4,426.71
(iii) Disputed dues - Micro & Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	5,056.65	-	-	-	5,056.65

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GO1187146

Note 10 : Property, Plant and Equipments As On 31st March '2023

S.No.	Particulars	Gross Block (At Cost)				Depreciation				Net Block	
		As at 01/04/2022	Additions During the Period	Deductions During the Period	As at 31/03/2023	Upto 01/04/2022	For the Period 31/03/2023	Adjustments During the Year	As at 31/03/2023	As at 31/03/2022	
I. Tangible Assets											
a)	Furniture & Fixtures	23,217.71	1,050.83	-	24,268.54	15,408.92	1,901.55	-	17,310.47	6,958.07	7,808.79
b)	Vehicles	6,455.54	-	-	6,455.54	6,132.76	-	-	6,132.76	322.78	322.78
c)	Office Equipments	4,927.78	-	-	4,927.78	3,872.62	586.77	-	4,459.39	468.39	1,055.16
d)	Computers	21,686.83	4,588.97	3,435.28	22,840.52	18,373.14	2,084.76	3,324.92	17,132.98	5,707.54	3,313.69
e)	Leasehold Improvement	9,403.62	-	-	9,403.62	3,733.61	994.20	-	4,727.81	4,675.81	5,670.01
	Total	65,691.48	5,639.80	3,435.28	67,896.00	47,521.05	5,567.28	3,324.92	49,763.41	18,132.59	18,170.44
	Previous Year	64,512.04	1,179.44	-	65,691.48	41,348.17	6,159.48	13.40	47,520.05		

K A Singh



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2023

(Amount in '00')

PARTICULARS	(Amount in '00')	
	As At 31/03/2023	As At 31/03/2022
Note 11 : DEFERRED TAX ASSETS (net)		
Deferred Tax Asset/(Liability):		
- Provision for Employee Benefit	9,999.15	17,822.61
- Depreciation and Amortisation of Fixed Assets	1,960.36	1,691.92
- Provision for doubtful debts and advances	9,863.22	14,103.37
	21,822.73	33,617.90

Note 12 : OTHER NON-CURRENT ASSETS		
(Unsecured , considered good)		
Security Deposits	3,505.50	805.50
Balance with Banks:		
- In Fixed Deposits account with maturity more than 12 months (including interest accrued)	4,214,458.64	3,732,551.75
- Fixed Deposit pledged as Security against the bank OD facility with maturity more than 12 months (including interest accrued)	-	237,029.94
	4,217,964.14	3,970,387.19

for J.K. Singh



Note No. 13: Trade Receivables as on 31st March '2023

Outstanding for following periods from due date of payment							(Amount in '00')
Particulars	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	Total As On 31/03/2023	
Undisputed Trade Receivable-							
Considered Good	112,837.18	18,189.11	5,949.87	-	-	136,976.16	
Considered Doubtful	-	-	-	1,640.00	32,755.70	34,395.70	
Disputed Trade Receivable							
Considered Doubtful	-	-	-	-	-	-	
Considered Good	-	-	-	-	-	-	
Grand Total	112,837.18	18,189.11	5,949.87	1,640.00	32,755.70	171,371.86	
Less: Provision against Trade Receivable	-	1,818.91	2,974.94	1,640.00	32,755.70	39,189.55	
Trade Receivable as on 31.03.2023						132,182.31	

Trade Receivables as on 31st March '2022

Outstanding for following periods from due date of payment							(Amount in '00')
Particulars	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	Total As On 31/03/2022	
Undisputed Trade Receivable-							
Considered Good	56,140.48	19,265.60	13,000.00	-	-	88,406.08	
Considered Doubtful	-	-	-	1,355.00	46,255.34	47,610.34	
Disputed Trade Receivable							
Considered Doubtful	-	-	-	-	-	-	
Considered Good	-	-	-	-	-	-	
Grand Total	56,140.48	19,265.60	13,000.00	1,355.00	46,255.34	136,016.42	
Less: Provision against Trade Receivable	-	1,926.56	6,500.00	1,355.00	46,255.34	56,036.90	
Trade Receivable as on 31.03.2022						79,979.52	



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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March, 2023

(Amount in '00')

PARTICULARS	As At 31/03/2023	As At 31/03/2022
Note 14 : CASH AND BANK BALANCES		
a) Cash and Cash Equivalents		
Balance with Banks:		
- in Current Accounts	119.89	1,418.36
- in OD Account	4,341.53	
- in Fixed Deposits account with maturity less than 3 months (including interest accrued)	24,995.54	-
- Fixed Deposit pledged as Security against the bank OD facility with maturity less than 3 months (including interest accrued)	-	-
	29,456.95	1,418.36
b) Other Bank Balances		
Balance with Banks:		
- in Fixed Deposits account with maturity more than 3 months but within 12 months (including interest accrued)	309,109.44	769,026.23
- Fixed Deposit pledged as Security against the bank OD facility of Rs. 2 Cr. with maturity more than 3 months but within 12 months (including interest accrued)	248,539.11	-
	557,648.55	769,026.23
	587,105.50	770,444.59
Note 15 : SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
- Imprest	10.74	62.34
-Prepaid Expenses	11,239.01	16,184.18
-Income Tax Refundable	4,781.89	6,894.34
-Amount recoverable in cash or in kind or for the value to be received	4,111.26	5,324.61
	20,142.90	28,465.47






PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009G01187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in '00')

PARTICULARS	Year Ended 31/03/2023	Year Ended 31/03/2022
Note 16 : REVENUE FROM OPERATIONS		
Sale of services		
Merchant Banking Fee	247,265.81	32,926.00
Corporate Advisory Fee	187,100.00	700,600.00
Trusteeship fee	300,317.68	225,210.99
	734,683.49	958,736.99

Note 17 : OTHER INCOME		
Interest on Fixed Deposits	246,668.17	226,796.51
Interest on Income Tax Refund	-	2,839.36
Reversal of Provision of Doubtful debts	16,847.35	8,940.38
Reversal of Excess Provision of Leave Encashment	-	12,713.45
Other Misc. Income	211.86	-
	263,727.38	251,289.70

Note 18 : EMPLOYEE BENEFIT EXPENSES		
Salary, Allowances and Other Benefits	317,024.00	458,622.41
Contribution to PF, Statutory & Other funds	4,801.49	3,099.24
Staff Welfare	11,103.07	6,337.07
Provision for Gratuity	8,253.10	2,961.56
Provision for Leave Encashment	6,645.95	-
	347,827.61	471,020.28

Note 19 : FINANCE COSTS		
Interest paid on borrowings	100.81	355.15
	100.81	355.15

Note 20 : DEPRECIATION AND AMORTIZATION		
Depreciation on tangible assets	5,567.29	6,172.87
	5,567.29	6,172.87

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009G01187146

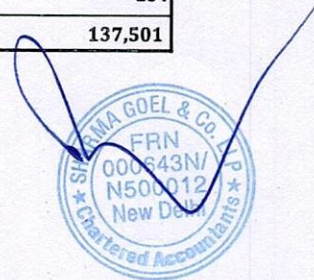
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in '00')

PARTICULARS	Year Ended 31/03/2023	Year Ended 31/03/2022
Note 21 : OTHER EXPENSES		
Rent	45,780.85	41,636.88
Water & Electricity Expenses	6,708.74	4,568.48
Fees and Subscription	12,380.63	21,120.49
Bad Debts Written Off	13,606.64	-
Consultancy and Professional Service Charges	22,368.63	25,258.35
Directors Sitting Fees	12,200.00	9,500.00
Postage, Telephone and Internet	1,657.41	2,047.83
Conveyance, Tour and Travel	9,990.41	3,702.92
Repairs and Maintenance		
-Email Maintenance Exp.	1,388.02	-
-others	2,488.38	1,698.90
Printing and Stationery	2,247.26	1,245.65
Auditors Remuneration	1,975.00	1,975.00
Secretarial Audit fee	350.00	350.00
Insurance	132.11	144.45
Board Meeting & AGM Expenses	628.71	642.80
Rates and Taxes	80.00	148.00
Miscellaneous Expenses	2,570.68	1,856.10
Bank Charges	163.20	291.94
Housekeeping Expenses	4,583.45	4,552.37
Depository Expenses	1,153.25	-
Recruitment Exp.	1,278.48	-
Loss on sale of SFF	8.67	-
CSR Contribution	5,860.00	-
Royalty Expenses	9,107.08	-
Business Promotion expenses	1,142.22	2,037.65
	159,849.82	122,777.81

Note 22 : CURRENT TAX		
Provision for Income Tax for Current Year	110,286	137,266
Taxes paid/ (reversed) for Earlier years		234
	110,286	137,501

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 23 : Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year.

The earnings and weighted average number of equity shares used in calculation of basic and diluted earnings per share are as follows:

Net Profit as per Statement of Profit and Loss used as numerator for calculating EPS (Rs)	362,984.09	455,353.81
Number of Equity Shares at the beginning of the year	20,000,000.00	20,000,000.00
Number of Equity Shares issued during the year	-	-
Total number of Equity Shares outstanding at the end of the year	20,000,000.00	20,000,000.00
Weighted average number of Equity Shares outstanding during the year used as denominator for calculating EPS	20,000,000.00	20,000,000.00
Nominal Value of Equity Shares	10.00	10.00
Basic and Diluted Earnings per Share (Rs)	1.81	2.28

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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GO1187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 24 : Financial Ratios

Particulars	Numerator	Denominator	Ratio for FY 2022-23	Ratio for FY 2021-22	% Variance	Reason for Variance
(a) Current Ratio (Current Assets/Current Liab.)	739,430.71	96,567.44	7.66	6.02	27%	Variance in Current Ratio is due to reduction in Current liability on 31.03.2023 as compared to 31.03.2022. Current liabilities as on 31.03.2023 is Rs. 95.03 lakhs as compared to Rs. 146.08 lakhs on 31.03.2022.
(b) Return on Equity Ratio (PAT/Ag Shareholder Equity)	362,984.09	4,781,287.41	7.59%	10.04%	-24%	Decrease in "Return on Equity" Ratio is due to lower Net Profit of Rs. 3.64 Cr in FY 2022-23 as compared to Rs. 4.55 Cr registered in FY 2021-22.
(c) Trade Receivables Turnover Ratio (Net Credit Sale/Ag Debtor)	734,683.49	106,080.92	6.93	7.86	-12%	Decrease in Trade Receivable Turnover ratio is due to low Turnover of Rs 7.39 cr as compared to previous year turnover of Rs. 9.59 Cr. Further, the company's debtors have increased from Rs. 0.80 Cr as at 31.3.22 to Rs. 1.32 Cr as at 31.3.2023.
(d) Net capital Turnover Ratio (Net Sales/Ag Working Capital)	734,683.49	687,833.82	1.07	0.43	148%	Increase in "Net Sales to Working Capital" Ratio signifies the better Working Capital management.
(e) Net Profit Ratio (Net Profit/Net Sale)	362,984.09	734,683.49	49.41%	47.50%	4%	Increase in "Net Profit Ratio" signifies the higher Profitability in FY 22-23 as compared to Previous Year. However, the net profit is less due to less turnover.
(f) Return on Capital Employed (EBIT/Capital Employed)	485,166.15	4,862,779.46	9.98%	12.98%	-23%	Decrease in "Return on Capital Employed Ratio" is due to reduction in EBIT as compared to previous year.
(g) Return on Investment	Not Applicable as no investment in Equity, Money Market by PNBISL					
(h) Debt Service Coverage Ratio (Earning Available for Debt/Debt)	Not Applicable as no Debt on PNBISL					
(i) Debt-Equity Ratio (Total Debt/Shareholder's Equity)	Not Applicable as no Debt on PNBISL					
(j) Trade Payable Turnover Ratio	Not Applicable as no Goods Purchase during the year					
(k) Inventory Turnover Ratio	Not Applicable as no Inventory in PNBISL					



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PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009G01147146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 25:

(a) The Securities and Exchange Board of India has granted the permanent Certificate of Registration in terms of Regulation 8A of SEBI (Merchant Bankers) Regulations, 1992 with effect from January 12, 2015 to carry on the activities as a Merchant Banker (Category I). This certificate has been issued after completion of three years of initial registration and two years of extension of initial registration.

(b) The Securities and Exchange Board of India has granted the permanent Certificate of Registration in terms of Regulation 9A of SEBI (Debenture Trustee) (Amendment) Regulations, 2011 with effect from February 22, 2015 to carry on the activities as a Debenture Trustee. This certificate has been issued after completion of three years of initial registration and two years of extension of initial registration.

Note 26: Breakup of remuneration paid to the statutory auditors' of the Company:

Particulars	2022-23	2021-22
	(Amount in '00')	(Amount in '00')
- Statutory audit under Companies Act	1,300.00	1,300.00
- Tax audit under Income - tax Act	425.00	425.00
- Certification Fees	200.00	200.00
- Reimbursement of Expenses	50.00	50.00
Total	1,975.00	1,975.00

Note 27: Corporate Social Responsibility

Company is required to spend Rs. 585,640/- on CSR activity during the FY 2022-23 (FY 2021-22 Rs. NIL) as the company fulfill the condition/required under the definition of CSR u/s 135 of companies Act 2013.

Particulars	2022-23	2021-22
	(Amount in '00')	(Amount in '00')
- Amount required to be spent by the company during the year	5,856.40	-
- Amount of expenditure incurred	5,860.00	-
- Shortfall/Unspent at the end of the year	-	-
Total CSR Contribution	5,860.00	-

Note 28: Dividend

Company has recommended a Dividend of Rs.2,00,00,000/- (P.Y. Rs. 2,00,00,000/-) being 10% of the paid up Share Capital, that is, Rs. 1/- per share on 2,00,00,000 Equity shares of Rs. 10 each fully paid up outstanding as on 31st March 2023 during the financial year 2022-23.

Note 29: Provision For Doubtful Debts.

Trade receivables amounting to Rs. 171,37,186/-, includes Rs. 34,39,570/- which are considered as doubtful of recovery. Hence 100% provision has been made on doubtful trade receivables as per the Company Accounting Policy.

In respect of other trade receivables, which are considered good and fully recoverable and are outstanding for a period exceeding six months, a provision is made as per the company policy as explained in (g) of Note 2 of Significant Accounting Policies just as a matter of abundant precaution.

Note 30: LEASES

The Company has taken Delhi and Mumbai Office Premises on operating lease from the Parent Bank, whereas Premises of Ahmedabad office has been taken on Lease from Indian Chronicle Limited. The lease terms are renewable on such terms and conditions as may be mutually agreed upon between the parties.

Particulars	2022-23	2021-22
	(Amount in '00')	(Amount in '00')
(a) Lease payments for the year	45,780.85	41,636.88
Minimum Lease payments:		
(b) Not later than one year	45,018.15	29,210.38
(c) Later than one year but not later than five years	80,267.70	101,477.74
(d) Later than five years	-	213.05

Note 31: Employee Benefit Obligations

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

(a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under :-

Particulars	2022-23	2021-22
	(Amount in '00')	(Amount in '00')
- Contribution to Provident Fund	4,781.49	3,054.24
Total	4,781.49	3,054.24



PNB INVESTMENT SERVICES LIMITED

CIN: U65191DL2009GOI187146

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(b) Defined Benefit Plans

Gratuity and Leave Encashment

The Present value obligation of Gratuity and Leave Encashment is determined based on actuarial valuation using projected unit credit method. Disclosure requirement as per Accounting Standard on Employee Benefit-AS (15)-As per actuarial valuation as on 31.03.23 are as follows:

(i) Net Employees Benefits Expenses Recognized in the Employee Cost					(Amount in '00')
S.No. Particulars	Gratuity		Leave Encashment		
	2022-	2021-22	2022-23	2021-22	
23					
1 Current Service Cost	3,070.97	3,062.06	4,843.18	6,572.14	
2 Interest Cost on Benefit Obligation	1,787.19	1,988.27	3,297.29	5,586.14	
3 Expected Return on Plan Assets	0.00	0.00	0.00	0.00	
4 Actuarial (Gain)/Loss	3,394.94	-2,088.77	-1,494.53	-24,871.73	
5 Net Benefit Expenses	8,253.10	2,961.56	6,645.94	-12,713.45	

(ii) Net Liability as shown in Balance Sheet Date					(Amount in '00')
S.No. Particulars	Gratuity		Leave Encashment		
	2022-	2021-22	2022-23	2021-22	
23					
1 Present Value of Defined Benefit Obligation	15,951.39	24,891.29	23,778.21	45,923.26	
2 Fair Value of Plan Assets	0.00	0.00	0.00	0.00	
3 Net (Liability)/Assets recognized in the Balance Sheet	-15,951.39	-24,891.29	-23,778.21	-45,923.26	

(iii) Net Liability as shown in Balance Sheet Date under "Short Term/Long Term Provisions"					(Amount in '00')
S.No. Particulars	Gratuity		Leave Encashment		
	2022-	2021-22	2022-23	2021-22	
23					
1 Opening present value of defined benefit plan	24,891.29	29,239.25	45,923.26	82,149.06	
-Current	4,879.34	593.60	10,750.67	3,767.49	
-Non-Current	20,011.95	28,645.65	35,172.59	78,381.57	
2 Interest Cost	1,787.19	1,988.27	3,297.29	5,586.14	
3 Current Service Cost	3,070.97	3,062.06	4,843.18	6,572.14	
4 Actuarial (Gains)/Losses on Obligation	3,394.94	(2,088.77)	(1,494.53)	(24,871.73)	
5 Benefits Paid	(17,193.00)	(7,309.52)	(28,790.99)	(23,512.35)	
6 Closing Defined Benefit Plan	15,951.39	24,891.29	23,778.21	45,923.26	
-Current	406.27	4,879.34	1,320.06	10,750.67	
-Non-Current	15,545.12	20,011.95	22,458.15	35,172.59	

(iv) Changes in Fair value and Plan Assets				
S.No. Particulars	Gratuity		Leave Encashment	
	2022-	2021-22	2022-23	2021-22
23				
1 Opening fair value of Plan Assets	-	-	-	-
2 Expected Return	-	-	-	-
3 Contribution made by Employer	-	-	-	-
4 Actuarial (Gains)/Losses on Obligation	-	-	-	-
5 Benefits Paid	-	-	-	-
6 Closing fair value of Plan Assets	-	-	-	-

(v) Actuarial Assumptions				
S.No. Particulars	Gratuity		Leave Encashment	
	2022-	2021-22	2022-23	2021-22
23				
1 Interest and Discount Rate	7.40%	7.18%	7.40%	7.18%
2 Estimated Rate of Return on Plan Assets	-	-	-	-
3 Attrition Rate	-	-	-	-
4 Retirement Age	60.00	60.00	60.00	60.00
5 Salary Cost Increase Rate	6.00%	6.00%	6.00%	6.00%

Note 32: Related party disclosure

(a) Related parties with whom the Company had transactions

- i) Parent Bank/Holding Company : Punjab National Bank
- ii) Associate of Parent Bank : PNB Housing Finance Limited
- iii) Non Executive Director : Mr. Rajesh Kumar Yaduvanshi, Non Executive Director & Nominated by PNB
- iv) Key Management Personnel : Mr. Taufique Alam, Managing Director & CEO (from 22-02-2022)
Mr. Sanjeev Khemani, Chief Operating Officer cum CFO (till 29.12.2022)
Mr. Gyanendra Kishor, Chief Operating Officer cum CFO (from 16.01.2023)
Ms. Isha Goel, Company Secretary



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PNB INVESTMENT SERVICES LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(b) Transactions with related party

Nature of Transaction	(Amount in '00')	
	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
Non Executive Director		
- Director Sitting Fees to Mr. Rajesh Kumar Yaduvanshi, Non Executive Director	3,600.00	1,200.00
Key Management Personnel		
- Remuneration & Other Perquisites/Benefit to Mr. Taufique Alam, Managing Director & CEO	30,352.54	4,547.63
- Remuneration & Other Perquisites/Benefit to Chief Operating Officer cum CFO [Mr. Gyanendra Kishor from 16/]	6,114.47	0.00
- Remuneration & Other Perquisites/Benefits to previous Chief Operating Officer cum CFO (Mr. Sanjeev Khemani	17,715.05	25,114.51
- Remuneration to Company Secretary (Ms. Isha Goel)	9,070.00	7,560.00
Punjab National Bank, Parent Bank/Holding Company		
(a) Expenditure		
- Rent	41,705.04	37,871.18
- Interest on Overdraft facility	100.81	355.15
- Bank Charges & Locker Rent	163.21	291.94
(b) Income		
- Interest on Fixed Deposits	246,668.17	226,796.51
- Merchant Banking Fee	150,880.88	32,926.00
- Trusteeship Fee	7,041.23	7,030.14
- Corporate Advisory fee	29,650.00	-70,000.00
(c) Dividend Paid		
	200,000.00	130,000.00
PNB Housing Finance Limited, Associate of Parent Company		
(a) Income		
- Trusteeship Fee	2,000.00	2,000.00

(c) Balance with related parties

Particulars	(Amount in '00')	
	Recoverable / (Payable) as at 2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
Punjab National Bank, Parent Bank/Holding Company		
(a) Receivable		
- Fixed Deposits (incl. accrued interest)	4,797,102.73	4,738,607.92
- Closing Balances of Current Accounts	119.89	1,418.36
- Closing Balances of OD Account	4,341.53	0.00
- Sundry Debtors	20,813.67	13,130.05
(b) Payables		
- Loan Repayable on demand (Overdraft)	0.00	1,505.40
- Rent Payable	5,738.63	17,215.92
Mr. Rajesh Kumar Yaduvanshi, Director Nominate by PNB		
(a) Director Sitting Fees Payables		
	0.00	540.00
PNB Housing Finance Limited, Associate of Parent Company		
- Sundry Debtors	200.00	0.00

(d) MD cum CEO (Mr. Taufique Alam) and COO cum CFO (Mr. Gyanendra Kishor) of the company - a Key Management Personnel, is on deputation from the Parent Bank - PNB and remuneration of the Key Management Personnel on deputation from PNB is paid in accordance with the service rules of the Parent Bank, which has been charged as expenditure in the books of the company.

Note 33: Segment Reporting

The Company's business activities predominantly relates to providing Merchant Banking and Consultancy Services to Corporate clients including services related to Security Trustee activities. As majority of the income is generated from Consultancy Services, hence segment reporting, as defined in Accounting Standard - 17, is not applicable.

Note 34:

Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act):

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	Nil	Nil
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	Nil	Nil
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 35: Current Assets

The value of current assets, loans and advances other than those stated otherwise, if realized in the ordinary course of business, shall at least be equal to the amount at which those are stated in the balance sheet.

Note 36: Current Liabilities

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

Note 37: Contingent Liabilities & Capital Commitments

Particulars	2022-23	2021-22
	Amount (Rs.)	Amount (Rs.)
- Contingent Liabilities	Nil	Nil
- Capital Commitments	Nil	Nil
Total	-	-

Note 38: Additional Regulatory Information

a) Usage of Borrowings

we are using the Overdraft Limit from PNB against FDR's, which is utilised for our business purpose only.

b) No Loan or Advances in the nature of loans are granted to promoters, directors, KMPs and their related parties either severally or jointly with any other person.

c) Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made under: No Proceedings against the company

d) *The Company has no borrowings from Bank or Financial Institutions on the basis of security of current assets.

e) where a company is a declared wilful defaulter by any bank or financial institution or other lender: No

f) Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period : No

g) Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the act: Not applicable on PNBISL

h). The company has not any transaction which is undisclosed income (i.e., not recorded in books of accounts) that disclosed as income during the year in the tax assessments under the Income Tax Act 1961

*Overdraft facility availed of Rs. 2 Crore is secured against fixed deposits with maturity more than 12 months (including interest accrued) of Rs. 2,48,53,911/- (PY Rs. 2,37,02,994)

Note 39: Relationship with Struck off Companies

The company has not entered into any transactions during the year with struck off companies under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

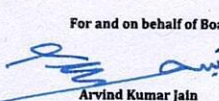
Note 40: Balance Confirmation

The management of the company have requested to Debtors for confirmation of their Account balances. Debtors amounting to Rs. 50,48,712 have been realised till the date of Audit and Rs. 21,46,471 pertains to TDS which will reflect in 26AS in coming months. Further, debtors amounting Rs. 34,39,570/- are doubtful for recovery against which full provision has been made in the books of accounts. Remaining debtors of Rs. 65,02,433/- have not confirmed their balances. In the opinion of the management, these unconfirmed balances are fully recoverable and will be settled in coming months.

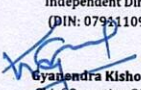
Note 41:


Figures for the previous year have been regrouped / recast / rearranged wherever considered necessary to make them comparable with those of current year.

For and on behalf of Board of Directors


Arvind Kumar Jain
Independent Director
(DIN: 07941109)


Taufique Alam
Managing Director & CEO
(DIN: 09509383)



Gyanendra Kishor
Chief Operating Officer cum CFO


Isha Goel
Company Secretary
(Membership No. 46828)

Place: New Delhi
Dated: 04/04/2023

As per our report of even date

For SHARMA GOEL & CO. LLP
Chartered Accountants
(ICAI Firm Regn. No.000643N/N500012)


Rachit Mittal
Partner
(Membership No. 524105)



DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the Fourteenth Annual Report of PNB Investment Services Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2023.

1. Financial Performance Highlights

Your Company is a SEBI Registered Category-I Merchant Banker offering a range of Merchant Banking and other financial advisory services like Project Appraisal, Debt Syndication, Techno-Economic Viability Studies, Debt Restructuring and Trusteeship services supported by well-qualified and experienced professionals. The company has three business verticals, namely, Corporate Advisory Services, Merchant Banking and Trusteeship services.

The table below summarises the key financials of your Company for FY2023:

Particulars	FY 2023	FY 2022
Total Income	998.41	1210.02
<i>Less: Expenses other than Depreciation and Taxes</i>	507.78	594.15
Profit before Depreciation and Taxes	490.63	615.87
<i>Less: Depreciation</i>	5.57	6.17
<i>Less / Add: Extraordinary / Exceptional Item</i>	-	-
Profit Before Taxes	485.06	609.70
<i>Less: Provision for Taxes (including deferred tax)</i>	122.08	154.35
Profit after Tax (PAT)	362.98	455.35
Net Profit carried to Balance Sheet	362.98	455.35
Equity Capital	2,000.00	2,000.00
Reserves & Surplus	2862.77	2699.80
Net Worth	4862.77	4699.80
EPS (In Rs.)	1.81	2.28

Rs. In Lakh

Revenue:

Your Company registered total income of Rs. 998 lakh for FY2023 as compared to Rs.1210 lakh for FY2022. The operating income for FY 2023 was Rs. 734 lakh as against Rs. 959 lakh registered in the previous year. Overall Operational revenue has declined by 23% as compared to the previous year mainly due to low revenue booked in Corporate Advisory vertical. The Company booked other income of Rs. 264 lakh in FY 2023 as against Rs. 251 lakh during previous financial year. Other income is mainly interest on Fixed Deposits.



Profit after Tax

Profit after tax (PAT) for FY 2023 was Rs. 363 lakh as compared to Rs. 455 lakh for FY 2022.

Segment-wise performance is summarized below:

A. Corporate Advisory Services:

During the period under review, the company booked revenue of Rs. 187 lakh under Corporate advisory services as against corresponding figure of Rs. 701 lakh in the previous year. During the year, some of the transactions got spilled over.

We are in discussion with large financial institutions, NBFC, PSBs to take downsell from their underwriting. One of the key projects that is under discussion is for Rs 7500 Cr debt for a state metro project.

The strategy adopted by the corporate advisory team has been to focus on new relationships with quality clientele and focus more on Central and State Public Sector entities. Recent meetings with a few selected state government bodies have opened options for fresh term loan and refinancing opportunities. This has led to repeat business from clients, the company intends to continue the current approach of developing new relationships and also deepen its relationships with existing clients/corporate groups.

B. Merchant Banking

During the FY 2022-23, the merchant banking division earned a revenue of Rs. 247 lakh which is 651% higher than the revenue of Rs. 33 lakh in FY 2021-22 from Merchant Banking activities. The rise in revenue is on account of financial closure of ARCIL stake sale Transaction (Booked Revenue -Rs. 1.07 cr) in March 2023. The ECM team also commenced participating in placement of Tier I Bonds Issuances and NCDs Issuances mobilizing Rs. 1000 cr plus funds for Banks/NBFCs (Booked Revenue - Rs. 1.21 cr approx.). The Company had commenced this placement for the first time in a small way. The company also filed with SEBI an IPO (approx Rs. 130-Rs. 150 cr), Rights Issue (approx Rs. 25 cr) with BSE and a open offer assignment during the year generating reasonable revenues.

C. Trusteeship

During the FY 2022-23, the Trusteeship division earned a revenue of Rs. 300 lakh which is 33% higher than the revenue of Rs. 225 lakh in FY 2021-22. The revenue booked under Trusteeship division in FY 22-23 has significantly increased. The incremental revenue has seen growth from new assignments in FY 2022-23 of Rs. 56.09 lakh as compare to the incremental revenue of Rs. 28.25 lakh in FY 2021-22. There is 33% growth in Trusteeship Division in FY 22-23 as compared with FY 21-22. Trusteeship division has successfully achieved its business target of Rs 3.00 crores.



Share Capital

The authorised and paid share capital of the Company stood at Rs. 30 Cr (3 Cr Equity Shares of Rs. 10/- each) and Rs. 20 Cr (2 Cr Equity Shares of Rs. 10/- each) respectively.

There have been no changes in share capital during the year under review.

Reserves and Surplus

The Reserves of the company were Rs. 2863 lakh (previous Year Rs. 2699 lakh)

2. Change in Nature of Business

There has not been any change in the nature of business of the Company during the year under review.

3. Dividend

The Board has recommended a final dividend of Re. 1 per share (i.e. @ 10%) for the year ended March 31, 2023 (previous year Rs. 1 per share). Total outflow on account of the said Dividend shall be Rs.200 lakh. The final dividend is subject to the approval of the Members at the ensuing Annual General Meeting ('AGM').

Amount Transferred to Reserves:

The company has not transferred any amount to the reserves during the financial year ended 31st March, 2023.

4. Material Changes, Commitments and Litigations, if any, affecting financial position of the company

There are no material changes, commitments and litigations affecting the financial position of the Company during the period between the end of the financial year of the Company to which the financial statements relate and the date of the report.

5. Business Outlook

The total budgeted expenditure in 2023-24 is estimated at 45,03,097 crore of which total capital expenditure is 10,00,961 crore. Budget 2023-24 reflects continuing strong commitment of the Union Government to boost economic growth by investing in infrastructure development leading to an increase in capital expenditure by 37.4 per cent over RE 2022-23. Effective Capital Expenditure, at 13,70,949 crore in BE 2023-24, shows an increase of 30.1 per cent over RE 2022-23.



India's gross domestic product (GDP) grew by 7.8% in the April - June quarter of current fiscal (2023-2024). India remains one of the fastest growing major economies, especially as China's post-pandemic recovery has slowed. As per the CEA, the economy is expected to grow at 6.5 % in the current fiscal (2023-2024) notwithstanding deficient monsoon rains.

In line with the tailwinds experienced by the Economy supported by the budget, your company is experiencing decent traction in the identified sectors for generation of fresh business under Debt Syndication Advisory Segment. Besides, with the uptick in private sector Capex, credit off-take will be high.

FY23 was reasonably good for the Equity Capital Market Vertical as post rebuilding of the team in the previous year, the company re-entered the public capital markets space with filing of DRHP of Pyramid Technoplast Ltd in March 2023 apart from a couple of open offer assignments and a rights issue assignment. We are happy to inform that we also closed the transaction for the stake sale of PNB in ARCIL in the previous fiscal.

Keeping in view the above we have been working on a multi-pronged strategy to develop robust business at PNB ISL as below

- PNBISL at presently is working on assignments such as large infrastructure like Railways, Data Centers, Power, Gas, Warehousing & Industrial Parks, Renewable Energy etc.
- PNBISL has also continued to focus on the Government sector clients & top-rated corporates which will add good credit quality to the portfolio of banks and help add more revenue for PNBISL. PNBISL has already started meeting most of top top-rated State and Central Government entities.
- PNBISL is in discussion with various Public Sector lenders to take down-sell of Government accounts which will help ISL to book a steady pipeline and build the revenues.

With the economic outlook improving, the company expects the business of Corporate Advisory Services and Trusteeship to pick up in the remaining period of Current financial year. At the same time, in the Merchant Banking Service vertical, the focus will be towards IPO, FPO, Right Issue and OFS assignments. With secondary markets at near all-time high level, we expect this year to be equally good for the primary markets and Equity Capital market vertical as such.

The Company intends to further expand the business teams in FY 2023-24 to support growth and capture new opportunities across its business verticals.

6. Human Resources

Total number of employees of the Company as on 31.03.2023 was 26 (including 2 employees on deputation from parent Bank). The Company has maintained peaceful and harmonious relations with its employees. No employee is related to any Director of the Company.



7. Board of Directors

During the year under review and up to the date of this report, the following changes took place in the Directorships of the Company:

- Sh. Binod Kumar, Executive Director of Punjab National Bank has been appointed as a Non-Executive Chairman on the Board of the Company w.e.f. 21.01.2023.
- Sh. Sanjay Kumar, Executive Director of Punjab National Bank has resigned as a Non-Executive Chairman on the Board of the Company w.e.f. 30.11.2022 consequent upon completion of his tenure as Executive Director of Punjab National Bank. Your Board places on record its appreciation for the valuable contribution made by him during his tenure in the company.
- Shri Taufique Alam resigned from the position of Managing Director and CEO of the company w.e.f 01.05.2023 and the resignation was accepted by the Board through circulation dated 03.05.2023. Your Board places on record its appreciation for the valuable contribution made by him during his tenure in the company.
- Sh. Santosh Kumar, Deputy General Manager of Punjab National Bank has been appointed as MD & CEO of the Company on the Board of the Company w.e.f. 26.05.2023.
- Sh. Sanjay Koolwal, General Manager of Punjab National Bank resigned as Nominee Director on 31.07.2023 consequent upon completion of his tenure as General Manager of Punjab National Bank. Your Board places on record its appreciation for the valuable contribution made by him during his tenure in the company.

8. Directors Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Dr. Rajesh Kumar Yaduvanshi (DIN:07206654), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company. He being eligible for reappointment has offered his candidature for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has recommended for re-appointment of Dr. Rajesh Kumar Yaduvanshi as Director of the Company.

9. Appointments / Resignations of the Key Managerial Personnel

During the Financial year under review, Sh. Taufique Alam, MD & CEO, Sh. Gyanendra Kishor, COO & CFO and Ms. Isha Goel-Company Secretary are the Key Managerial Personnel of the Company in terms of section 2(51) of Companies Act, 2013.



During the year under review and upto the date of this report following changes took place in Key Managerial Personnel:

- Sh. Taufique Alam resigned from the position of MD & CEO of the Company on 01.05.2023.
 - Sh. Santosh Kumar appointed as MD & CEO of the Company w.e.f. 26.05.2023 for the period of three years at a remuneration & perquisites as applicable to his scale of Punjab National Bank.
 - Sh. Sanjeev Kumar Khemani resigned from the position of COO & CFO of the Company w.e.f. 29.12.2022
 - Sh. Gyanendra Kishor appointed as COO & CFO of the Company w.e.f. 21.01.2023.
- **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**
The above details as required are to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as under:

- a. The Company is not a manufacturing company thus its operations are not energy intensive. However adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy and technology absorption.
- b. Foreign Exchange earnings and outgo: The Company does not have any Foreign Exchange Earnings and there was no outgo during the year under review.

10. Details of number of General Meetings, Board meetings and other Committee meetings held along with attendance during the year 2022-23

Annual General Meeting	Annual General Meeting held on 29.09.2022 with requisite quorum of 5 members personally present in the meeting
-------------------------------	--

(A) Details of number of Board meetings held and attendance during the year 2022-23

Names	Designation	No. of meetings held	No. of meetings attended
Shri Taufique Alam	MD & CEO	6	6
Shri Sanjay Kumar (Resigned as Chairman & Director on 30.11.2022)	Chairman and Director	6	4
Shri Binod Kumar (Appointed as Chairman on 21.01.2023)	Chairman and Director	6	2
Dr. Rajesh Kumar Yaduvanshi	Nominee Director	6	6



Shri Sanjay Koolwal	Nominee Director	6	6
Shri Anant Upadhyay	Independent Director	6	6
Shri Arvind Kumar Jain	Independent Director	6	6

Dates of Board Meetings held during the year 2022-23

Meeting No.	Date of Board Meetings
1	26.04.2022
2	22.07.2022
3	29.09.2022
4	27.10.2022
5.	21.01.2023
6.	24.03.2023

(B) Details of number of meetings of Audit Committee of Board held and attendance during the year 2022-23:

Names	Designation	No. of meetings held	No. of meetings attended
Shri Arvind Kumar Jain	Chairman	7	7
Shri Anant Upadhyay	Independent Director/Member	7	7
Shri Sanjay Koolwal	Nominee Director/Member	7	6

Dates of Meetings of Audit Committee of Board held during the year 2022-23:

Meeting No.	Date of Audit Committee meetings
1	26.04.2022
2	29.06.2022
3	22.07.2022
4	29.09.2022
5.	27.10.2022



6.	21.01.2023
7.	24.03.2023

(C) Details of number of Nomination and Remuneration Committee (NRC) meetings held and attendance during the year 2022-23

Names	Designation	No. of meetings held	No. of meetings attended
Dr. Rajesh Kumar Yaduvanshi	Chairman	3	3
Shri Sanjay Koolwal	Nominee Director/Member	3	2
Shri Anant Upadhyay	Independent Director/Member	3	3
Shri Arvind Kumar Jain	Independent Director/Member	3	3

Dates of Meetings of Nomination and Remuneration Committee held during the year 2022-23

Meeting No.	Date of NRC Meetings
1	29.09.2022
2	21.01.2023
3	24.03.2023

(D) Details of number of Risk Management Committee meetings held and attendance during the year 2022-23

Names	Designation	No. of meetings held	No. of meetings attended
Shri Anant Upadhyay	Chairman	3	3



Shri Sanjay Kumar (Resigned as Director on 30.11.2022)	Director/ Member	3	2
Shri Arvind Kumar Jain	Independent Director/Member	3	3
Shri Taufique Alam	MD& CEO/Member	3	3

Dates of Meeting of Risk Management Committee held during the year 2022-23

Meeting No.	Date of Meetings
1	29.06.2022
2	29.09.2022
3	24.03.2023

11. Declaration of Independent Director

In terms of the Companies Act 2013, one third of Board of the Company shall be Independent Directors. Further, the Independent Directors have given the requisite declaration about their eligibility in terms of the spirit of the provision enshrined in section 149 (6) of the Companies Act, 2013. Company being a Wholly Owned Subsidiary of Punjab National Bank, the requirement under Section 149 of the Companies Act 2013, with respect to the Independent directors in the Board, is not applicable to the Company. However, the Board decided to have Independent Directors in the Board as a matter of good Corporate Governance.

12. Remuneration of Directors:

Directors are paid sitting fees for attending board and committee Meetings. The Managing Director & CEO of the Company is paid salary as per the Companies Act, 2013.

13. Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act 2013, Board of Directors confirms that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever required.
2. Appropriate Accounting Policies have been selected and applied consistently. Judgments and estimates made were reasonable and prudent so as to give true and fair view of the



state of affairs of the Company at the end of the financial year ended March 31, 2023 and the Profit and Loss Account for the year ended March 31, 2023.

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.
5. Internal financial controls have been laid to be followed by the company and that such internal financial controls are adequate and are operating effectively.
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. Corporate Governance:

The Company has inherited the values and corporate governance practices of the parent Bank viz. Punjab National Bank and the management has assigned high priority to Corporate Governance practices in the Company. The Company is committed to adopt the best practices in Corporate Governance and follow all the guidelines prescribed by SEBI and other Regulators in this regard. The Company has ensured adherence to various applicable regulations and stipulations by various regulatory authorities. The Company's workforce is committed towards the protection of the interest of all the stakeholders including shareholders, creditors, clients etc. It is the Company's endeavour to consistently improve its policies to maximize value of all the stakeholders.

15. Corporate Social Responsibility (CSR) Initiatives

As per Section 135 (9) of the Companies Act, 2013 and the rules framed there under, where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

To comply with the above statutory requirement, the company has already have in place its policy guidelines on CSR.

Company has undertaken its CSR activities by contributing the amount of Rs. 5,86,000/- to "Prime Minister National Relief Fund", is utilized primarily to render immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes, etc. and to the victims of the major accidents and riots. Assistance from PMNRF is also rendered, to partially defray the expenses for medical treatment like heart surgeries, kidney transplantation, cancer treatment, etc of needy and people who cannot afford such expenses, which is in accordance with the Schedule VII of the Companies Act, 2013 and CSR Policy of the company.

16. Auditors:



M/s Sharma Goel & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company for the financial year 2022-23 by the Comptroller & Auditor General of India (CAG) under the provisions of Section 139 (5) of the Companies Act, 2013.

The Auditors Report, as submitted by the Auditors is included in the Annual Report. The Statutory Auditors in their report have not made any qualification, reservation or adverse remark or disclaimer and accordingly no comments are required in the matter.

The Company being a Government Company under section 2(87) of the Companies Act 2013, the Statutory Auditors of the Company for financial year 2022-23 were appointed by CAG.

The remuneration of the Auditors will be fixed by the Company in ensuing Annual General Meeting or in such a manner as the Company in the General Meeting may determine.

The Company has put in place a system of Internal Audit. The Company had re-appointed M/s G.S. Mathur & Co. for Internal Audit of the Company for FY 2023-24. The Report of the Internal Auditor is received on quarterly basis and acted upon for necessary remedial actions.

17. Review of Accounts by Comptroller & Auditor General of India.

CAG vide their letter dated 28.07.2023 forwarded the comments of Comptroller & Auditor General of India on the financial statements of the Company for the year ended 31st March 2023 under section 143 (6) (a) of the act, enclosed as "**Annexure A**" to this report.

18. Secretarial Auditor

The Board of Directors of the Company appointed M/s PI & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the FY 2022-23. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and accordingly no comments are required in the matter. The Secretarial Audit Report for the FY 2022-23 is annexed herewith as "**Annexure B**" to this report.

19. Secretarial Standards:

The Secretarial Standards i.e. SS-1 & SS-2 related to meetings of the Board of Directors and General Meetings respectively have been duly complied by the Company.

20. Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

21. Extract of Annual Return



Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in form MGT-7 as on March 31, 2023 is available on the website of the Company and can be accessed at www.pnbisl.com under "Corporate Disclosure".

22. Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Nomination & Remuneration Policy, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or Senior Management Personnel of the Company, along with the criteria for determination of remuneration of Directors, KMPs and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of Companies Act, 2013.

The Nomination and Remuneration Policy of the company is enclosed to this report as "Annexure C"

23. Details of establishment of vigil mechanism for directors and employees

The provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

24. Particulars of Loan, Guarantees and Investment

During the financial year, the Company has neither given any loan nor issued any Guarantee or provided any Security for raising loan to body corporate or any person. Further, the Company has also not acquired securities of any other body corporate, as envisaged under Section 186 of the Companies Act, 2013.

25. Contracts or Arrangements with Related Party

During the period under review Company has acted as advisor for Stake Sale by Punjab National Bank in ARCIL and also acted as Advisor for proposed fund raising by Punjab National Bank through issuance of Tier 1 bonds.

Form AOC-2 forms part of report as 'Annexure D'.

26. Public Deposits

During the review period, the Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions, 1977 and RBI's notification no. DFC 118DG/ (SPT)-98 dated 31st January 1998.

27. Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace



Your Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and an Internal Committee has been constituted there under. The primary objective of the said Policy is to protect the women employees from sexual harassment and the provide right to work with dignity as enshrined under the Constitution of India.

28. Risk Management Policy:

The Statement showing the details regarding the development and implementation of Risk Management Policy of the Company is furnished in **Annexure- E** and attached to this report. The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting.

29. Maintenance of cost accounts and records

The Company is not falling within the threshold limit specified under Section 148 (1) of the Act, therefore, the Company need not to do the compliances relating to the maintenance of cost accounts and records.

30. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There has been no order passed by any authority which impact the going concern status and company's operations in future.

31. Internal Financial Controls

The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by Management. Based on the periodical testing, the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls.

32. Frauds Reported by the Auditors

No fraud has been reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013.

33. Acknowledgements:

The Board places on record its gratitude to Securities and Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs, Registrar of Companies, Delhi, Punjab National Bank, Statutory Auditors of the Company, Comptroller and Auditor General of India, Secretarial Auditor of the company, Internal Auditor, GST Auditor and all the valued constituents and clients for their sustained support.



The Board also wishes to place on record its appreciation for the valuable contribution of all the staff members and looks forward to their continued enthusiasm in meeting the future goals of the Company.

**For and on behalf of the Board of Directors
PNB Investment Services Limited**

**Sd/-
Binod Kumar
(Non-Executive Chairman)
DIN- 07361689
Place: New Delhi**



कार्यालय प्रधान निदेशक लेखापरीक्षा,
उद्योग एवं कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE,
NEW DELHI-110 002

संख्या: एएमजी-II/ वार्षिक लेखा/
PNB ISL (2022-23)/2023-24/174

दिनांक: 28 JUL 2023

सेवा में

प्रबंध निदेशक एवं मुख्य कार्यकारी अधिकारी,
पी एन बी इन्वेस्टमेंट सर्विसेज लिमिटेड,
10, राकेश दीप बिल्डिंग,
युसूफ सराई कमर्शियल कॉम्प्लेक्स,
गुलमोहर एन्क्लेव, नई दिल्ली- 110 049

विषय:

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2023 को समाप्त वर्ष के लिए पी एन बी इन्वेस्टमेंट सर्विसेज लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2023 को समाप्त वर्ष के लिए पी एन बी इन्वेस्टमेंट सर्विसेज लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,

एस. ए. पंडा

(एस. आह्लादिनी पंडा)
प्रधान निदेशक लेखा परीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

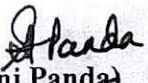
संलग्नक:- यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PNB INVESTMENT SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of PNB Investment Services Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 April 2023.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of PNB Investment Services Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**


(S. Ahladini Panda)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi

Date: 28 JUL 2023

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

PNB Investment Services Limited

CIN: U65191DL2009GOI187146

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PNB Investment Services Limited** (hereinafter called “the Company”). The 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 for the financial year ended on March 31st, 2023 (“**Audit Period**”). It is also noted that the Company is an unlisted public company and registered as Category-I Merchant Banker w.e.f. March 20th, 2015, and Debenture Trustee w.e.f. September 16th, 2015. We also noted that the CIN issued by the Ministry of Corporate Affairs includes ‘GOI’ which means more than half of share capital of the Company is held by Central Government or State Government or both however, in terms of the Companies Act, 2013 the Company does not fall within the definition of ‘Government Company’ (i.e., Section 2(45)) for which the Company informed us that it will file a request letter with the Registrar of Companies, NCT of Delhi and Haryana for change of its existing CIN.

Limitation of the Auditors

- (i) Based on our verification of the Company’s books, papers, minute books, forms and returns filed, and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



Auditor's Responsibility

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("**Guidance Note**") and Auditing Standards issued by the Institute of Company Secretaries of India ("**ICSI**"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and that we plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii) Due to the inherent limitations of an audit including internal, financials and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
- (iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness, and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.
- (iv) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Board processes and compliance mechanism.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the Audit Period, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder; (*Not Applicable*)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (*Not Applicable*)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; (*Not Applicable*)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not Applicable*)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*Not Applicable*)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (*Not Applicable*)
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (*Not Applicable*)

- f. 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; *(Not Applicable)*
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; *(Not Applicable)*
- h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; *(Not Applicable)* and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'); *(Not Applicable)*

It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company:

- a) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
- b) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993
- c) Prevention of Money Laundering Act, 2002 read with Money Laundering (Maintenance of Records) Rules, 2005

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

- (i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and Listing Regulations. *(Not Applicable)*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned hereinabove.

We further report that:

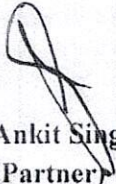
- (i) The Board of Directors of the Company was duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors during the Audit Period. The change in the composition of the Board of Directors that took place during the Audit Period was carried out in compliance with the provisions of the Act which includes the resignation of Mr. Sanjay Kumar as a non-executive director and chairman w.e.f. November 30th, 2022, and appointment of Mr. Binod Kumar as non-executive director and chairman w.e.f. January 21st, 2023.
- (ii) Further, the composition of all statutory committees was also in compliance with the Act and applicable Rules and Regulations.



- (iii) Adequate notice was given to all directors to schedule the Board Meetings, Statutory Committee Meetings, agenda, and detailed notes on agenda were sent at least seven days in advance, except few Board Meetings and Committee Meetings which were held at shorter notice 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.
- (iv) The majority of decisions were carried through and there were no instances where any director expressed any dissenting views.

We further report that in our opinion, the Company has, in all material respects, adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

For PI & Associates,
Company Secretaries



Ankit Singh
(Partner)

FCS No.: 11685

CP No.: 16274

Peer Review No.: 1498/2021

UDIN: F011685E000877341



Date: August 28, 2023

Place: New Delhi

Disclaimer:

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.

To,

The Members

PNB Investment Services Limited

CIN: U65191DL2009GOI187146

Our Secretarial Audit Report of even date is to be read along with this letter:

- (i) 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.
- (ii) 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 a sampling basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- (iii) We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
- (iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
- (v) The compliance of the provisions of corporate and other sector specific laws applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.
- (vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries



Ankit Singh
(Partner)

FCS No.: 11685

CP No.: 16274

Peer Review No.: 1498/2021

UDIN: F011685E000877341



Date: August 28, 2023

Place: New Delhi

Nomination and Remuneration Policy



(A wholly owned subsidiary of Punjab National Bank)

1. Introduction

This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee in pursuance of the company's objective to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company. This policy intends to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provision of the Companies Act, 2013.

2. Constitution of Committee

In terms of Section 178 of the Companies Act 2013 read with Rule 6 of the companies (Meetings of Board and its Power) Rules, 2014 the Board of Directors have already constituted a Nomination and Remuneration Committee as the paid up share capital of the company exceeds Rs. 10 crore.

3. Objective

The Committee was constituted with the envisaged objective of making selection, evaluation and remuneration of Directors (Executive/Non-Executives), Senior Management and Key Managerial Personnel. For the attainment of above mentioned goals, the Committee shall have to formulate criteria for determining qualification, positive attributes and independence of Director and get the same approved from the board of director.

The policy defines roles and responsibilities of the committee along with guidelines and criteria's for the nomination and remuneration system for the smooth functioning of the company.

4. Definitions:

Directors -Section 2(34) of the Companies Act, 2013 defines a Director, which means a director appointed to the Board of the Company.

Key Managerial Personnel (KMP) – Section 2(51) and Section 203 of the Companies Act, 2013 defines KMP as under:

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) The Company Secretary;
- (iii) The whole-time director;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed.

Senior Management – Section 178 of the Companies Act 2013 defines Senior Management as personnel of the company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors, including the functional heads.

Other employees include all the employees on the Payroll of the Company or employees deputed from the Parent Bank, other than the categories mentioned above.



5. Function, Authority and Responsibility of Nomination and Remuneration Committee:-

- Determining the appropriate size, diversity and composition of the Board.
- To lay down criteria for identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To nominate the prospective candidate for the vacant position (for the posts of Directors (Executive/Non-Executives), Senior Management and Key Managerial Personnel) for the final approval from the board of directors of the company.
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- To lay down criteria for evaluation and subsequently carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel on yearly basis.
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- To determine remuneration of Directors (Executive & Non-Executive), Senior Management & Key Managerial positions and other employees of the company.

6. Nomination and Remuneration System

6.1 Guidelines for Nomination System

Nomination and Remuneration Committee prepares a nomination system for members of the Company's Board of Directors, Senior Management and Key Managerial positions as defined below:

6.1.1 Procedure for Nomination

- To identify vacancies, created because of growth of company, Retirement, Resignation, transfers etc.
- To identify prospective member/s of the Board of Directors, Senior Management and Key Managerial personal/s meeting the eligibility criteria, as specified in the Company's Articles of Association, Companies Act 2013 and other prevailing laws, applicable regulations and other criteria's lay down in the policy.
- To nominate to the Board of Directors, the prospective candidate/s for the vacant position/s.

Based on the final decision of the board of directors, nominated person will be appointed to hold the said position. The process of final selection is to be completed prior to the expiration of the term of office.



6.1.2 Requirements and Eligibility Criteria

a) Eligibility criteria for Directors

- A person shall not be eligible for appointment as a Director of the company, if-
 - He is of unsound mind and stands so declared by a competent court;
 - He is an undischarged insolvent
 - He has applied to be adjudicated as an insolvent and his application is pending;
 - He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence.
(Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company);
 - an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
 - he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
 - he has been convicted of the offence dealing with related party transactions under section 188 (Related Party Transaction) at any time during the last preceding five years; or
 - he has not complied with sub-section (3) of section 152 of Companies Act 2013 (DIN eligibility criteria)
 - No person can be appointed/ reappointed as director, who is or has been a director of a company which—
 - has not filed financial statements, or annual returns for any continuous period of three financial years; or
 - has failed to repay the deposits accepted by it, or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,
shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

b) Criteria for Managing Director or whole time director

In addition to the eligibility criteria as applicable to Director, the candidate should also fulfil the following additional conditions of eligibility:

- He is resident of India.
- He had not been sentenced to imprisonment for any period, or to a fine exceeding one thousand rupees, for the conviction of an offence under Acts mentioned in the Part I (a), schedule V of the Companies Act 2013.
- He had not been detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.
- He has completed the age of twenty-one years and has not attained the age of seventy years:



- Candidate with age exceeding the age of seventy years; can be appointed if his appointment is approved by a special resolution passed by the company in general meeting.
- If he is a managerial person in more than one company, he draws remuneration from one or more companies subject to the ceiling provided in schedule V, Part II of the Companies Act 2013.

c) Criteria for Independence of directors

In addition to the eligibility criteria as applicable to Director, an independent director must full-fill the following additional eligibility criteria:

- He is a person of integrity possess relevant expertise and experience.
- He must not be or was a promoter of the company or its holding, subsidiary or associate company.
- He is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- He has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be notified by the prescribed authorities and subsequent amendment's if any, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- He neither himself nor any of his relatives--
 - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of--
- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - holds together with his relatives two per cent. or more of the total voting power of the company; or
 - is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- Must possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.



d) Criteria for Senior Management & Key Managerial personnel

- Individual/s selected for the post of Senior Management and Key Managerial people must be a graduate or post graduate and must have adequate industry experience.
- Candidate/s should be highly accomplished in their respective field, with superior credentials and recognition.
- Having integrity in the sense of:
 - a. Having good character and moral;
 - b. Complying with the prevailing laws and regulations;
 - c. Knowledge of operations of the company.

6.1.3 Evaluation of Performance of the Board of Directors

Each Director's performance shall be evaluated in terms of the following performance Indicator framed by the Nomination & Remuneration committee:

- Devotion of time for taking informed and progressive decision.
- Understanding of corporate governance, regulatory requirements, legal issues and ethical standards of the Board.
- Adheres to high standards of ethics for conduct of the company.
- Action initiated for adding good value to the Company.
- Professional & personal skills utilised for guiding & motivating employees of the company.
- Level of participation in deliberation during board or Committee work.
- Level of Contribution in framing & development of strategy & risk management.

Evaluation of the Directors performance will be evaluated on yearly basis.

6.1.4 Terms & Tenure

Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

6.1.5 Independent Director:

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.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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.



Ministry of Corporate affairs has notified new rules as on 22nd October, 2019 namely, Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

In exercise of the powers conferred by section 149 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the **Companies (Appointment and Qualification of Directors) Rules, 2014**, namely:-

1. (1) These rules may be called the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

(2) They shall come into force with effect from the **1st day of December, 2019**.

There are two things that need to be done now for all Would Be and Existing Independent Directors of the Company. First, they have to get themselves registered online in the databank of Independent Directors that will be maintained by the **Indian Institute of Corporate Affairs, Manesar (Haryana)** and second, they have to clear a **Common Proficiency Test** as will be conducted by the Institute.

Registering online on the Data Bank:

Applicable to :

- All individuals who are already appointed as Independent Directors on the Board of any Company before the commencement of these respective rules i.e. before 1st December, 2019.
- All the Individuals who intends to get appointed as an Independent Director in a Company after 1st December, 2019

When:

- Individuals who are already appointed as Independent Directors – within 3 months of commencement of these rules, i.e. by 1st March, 2019.
- Individuals who intend to get appointed as Independent Directors – Before their appointment

Where:

- Application for registration of one's name in the databank has to be made online to the Indian Institute of Corporate Affairs, Manesar (Haryana)

Period:

- The application can be made for a period of 1 year or 5 years or for Lifetime.

Renewal:

- Renewal application has to be filed within 30 days of expiry of the period already applied for.
- If Renewal application is not filed within 30 days, the names will stand removed from the databank.
- Renewal need not to be made by those who have registered themselves for lifetime with the Institute.
- The renewal can be again for 1 year or 5 years or for the Lifetime.

Declaration-

- Every Independent Director shall submit a declaration of registration or renewal in the databank to the Board each time they submit the declaration under section 149 (7) of the Act.



Fees-

- A reasonable fee will be charged from:
- Individuals for inclusion of their names in the Databank.
- Companies who seek the Information of Independent Directors from the Institute.

After the Inclusion of name in the Data Bank is done:

1. Every Individual whose name is included in the databank has to pass a **COMMON PROFICIENCY TEST** as conducted by the institute.
2. This test has to be passed within a period of 1 year from the date of inclusion of name in the Data Bank. For eg.- If the name was included on 1st Feb, 2020 than the test can be passed till 1st Feb 2021.
3. If the test is not taken within 1 year the name will stand removed from the Databank.
4. Passing marks- 60% or more
5. Attempts- No maximum limit of attempts is set as of now for clearing the test.
6. Syllabus-Company law, Securities law, Basic accountancy and such other areas as are relevant to the functioning of an Individua acting as an Independent Director.
7. Online Lessons including Audio Visuals and Basic Study Material will be provided by the Institute.
8. No additional fees will be charged for providing such study material and conducting online test.

Exemption-

- An Individual who has been serving for a period of 10 years or more as a Director or a KMP in a listed Company or in an unlisted public company having a paid-up share capital of Rs 10 crore or more shall be exempted from the online proficiency test.
- Any period during which an Individual was acting as a Director or KMP in two or more Companies at the same time will be counted only once. For eg. If an Individual has been a director in 3 companies from the year 2015-2019 than a total period of 4 years only will be counted irrespective of him being appointed on 3 different Boards.

6.1.6 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.

6.2 Remuneration System

In addition to members of the Board of Directors, Senior Management and Key Managerial Personnel, Nomination and Remuneration Committee has to establish a remuneration system for other employees of the company.

This policy will become a part of guidelines for the Board Meetings and Committee meetings in specifying the remuneration of members of the Board of Directors, Senior Management, Key Managerial Personnel and other employees of the company.

While defining the criteria for remuneration of Directors, Senior Management and Key Managerial Personnels, the Committee has to ensure that:



- The level and composition of remuneration is to be reasonable and sufficient to attract, retain and motivate Directors and all employees of the company to successfully run the company.
- Relationship of remuneration to performance is to be clear and meets the appropriate performance benchmarks.
- Remuneration payable is to comprise a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- Remuneration structure is to be kept updated and competitive to the market prevalent pay structure and the same is to be suitably modified as and when needed.

Remuneration Structure

1. Remuneration of Directors:

Directors may be paid remuneration by way of fees for attending each meeting of the board or any committee thereof (Sitting Fees). However, committee reserves the right to pay additional incentives to the Directors.

Presently directors are eligible for sitting fee of Rs. 40,000 for attending every board meeting, Rs. 15,000 for attending meetings of any committee of the Board and for Chairing Committee meetings of the Board, Rs. 5,000 in addition of Rs. 15,000 along with the boarding & lodging expenses.

2. Remuneration of Key Managerial Personnel (KMP), Senior Management and Other employees:

KMPs, Senior Management and other employees consist of Officials on deputation from PNB and officials of PNBISL.

Employees on deputation from Parent Bank (PNB)

Remuneration comprising of salary & perks shall be as per their designated scales in PNB in terms of the bank's HR Policy and other officer's regulations.

Committee reserves the right to pay incentives to the employees on deputation from PNB over and above their salary entitlement as per the HR Policy and other officer's regulations of PNB.

- **Employees of PNBISL**

Remuneration shall be as per their designated scales in PNBISL in terms of the HR Manual of PNBISL and various approvals taken from the Board of Directors from time to time basis.

Changes in salaries and perks of all employees of PNB & PNBISL will be as per the amendments in the respective HR Policy from time to time.



Amendments in HR Manual of the company are subject to approval from Nomination & Remuneration Committee.

7. Review and Amendment

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.

This Policy shall be reviewed annually and/or may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and where there is any statutory change necessitating the change in the policy



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

All transactions entered into by the Company with its related parties during financial year 2022-23 were at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Punjab National Bank (Holding Company)	Company has acted as Advisor for Stake Sale by Punjab National Bank in ARCIL	N/A	Company has booked a fee income of Rs. 107.31 lakh	-	Nil
2.	Punjab National Bank (Holding Company)	Company has acted as Advisor for Fund raising as an arranger for PNB Tier 1 Bonds Series XV	N/A	Company has booked a fee income of Rs. 30 lakh	-	Nil
3.	Punjab National Bank (Holding Company)	Process advisor for Swiss Challenge on A/c of Helios Photo Voltaic Limited	N/A	Company has booked a fee income of Rs. 10.95 lakh	-	Nil
4.	Punjab National Bank (Holding Company)	Process advisor for Swiss Challenge on A/c Mittal Corp Ltd.	N/A	Company has booked a fee income of Rs. 9.75 lakh	-	Nil
5.	Punjab National Bank (Holding Company)	Paid Rent for Delhi & Mumbai office	N/A	Company paid Rent of Rs. 42 lakh approx.	-	Nil

**For and on behalf of the Board of Directors of
PNB Investment Services Limited**

Sd/-

**Binod Kumar
(Non-Executive Chairman)
DIN- 07361689
Place: New Delhi**

RISK MANAGEMENT POLICY



(A wholly owned subsidiary of Punjab National Bank)

Risk Philosophy

Risk philosophy of PNB Investment Services Ltd. (PNBISL) ensures sustained and diversified growth of business with risk taken in a controlled risk management environment by adopting the following:

- Leadership approach in business line well understood by the company and industries favoured by the Indian Banking system.
- Watchful approach for business line having substantial future potential, depending on effect of economic condition on different industries.
- Innovative approach for new emerging & perceived high risk areas taking limited exposure.

Risk Management Policy

1. Introduction:

Companies are increasing focus on evolving risk areas and ensuring to have robust and dynamic risk management practices due to changing environment and intense competition, triggered by opening of the Indian economy. Effective risk management allows greater control in achieving an appropriate balance between acceptable risks and returns desired.

The goal of risk management is to enhance shareholder value while addressing the interests of other stakeholders including customers, management, employees, board, supervisors, creditors and counter parties.

Risk management is the process by which a company identifies, measures, monitors and controls its risk exposures to ensure that

- Risks are understood
- Risks are within tolerances set by the Board of Directors
- Decisions having inherent risks are consistent with strategic business objectives
- Risk taking decisions are explicit and clear
- The expected return compensates for the risk taken
- The company's performance incentives are aligned with risk tolerances.

2. Policy Objective:

Risk Management has been viewed as a practice whereby risk retention is considered appropriate after giving due consideration to factors such as inter relationship between risk variables and corresponding return and achievement of various business objectives.



The policy lays down the guidelines within which meaningful work can take place, which in turn, provides a foundation upon which significant risk management accomplishments can be achieved.

The policy outlines the following guiding principles of Risk Management:

1. All business decisions are made with the prior information and acceptance of risk Involved.
2. The Risk Management Policy provides for the enhancement and protection of business value from uncertainties and consequent losses.
3. All employees of the company are aware of risks in their respective domains and their mitigation measures.
4. The risk mitigation measures adopted by the company shall be effective in the long term and to the extent possible be embedded in the business processes of the company.
5. Risk tolerance levels reviewed yearly and decided upon depending on the change in company's strategy.
6. The occurrence, progress and status of all risks are reported quarterly and appropriate actions are taken thereof.

3. Scope of the Policy:

The policy guidelines are devised in the context of the future growth objectives, business profile envisaged and new business endeavors including new products and services that may be necessary to achieve these goals and the emerging global standards and best practices amongst comparable organizations.

This policy is meant to ensure continuity of business and protection of interests of the investors and thus covers all the activities within the company and events outside the company which have a bearing on the company's business. The policy shall operate in conjunction with other business and operating/administrative policies.

PNBISL offers the following services:

- Corporate Advisory Services
- Merchant Banking
- Trusteeship Services



Company encounters certain risks in all business operations of the company. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter-alia are Business risk, Credit Risk, Operational risk, Environment, Social & Governance (ESG) Risk, Attrition Risk and Default risk.

Operational risk, inter-alia, further includes Human Risk, System failures risk and Key Person risk.

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

4. Risk Governance

The company has a well defined risk governance structure, with an active and engaged Board of Directors supported by an experienced top management team. The risk management structure in the company is as follows:



A) Board:

The Board of Directors is the apex decision making body of the company. The Board of directors, either directly or through its committees ensures that the decision making is aligned with the company's strategies and risk appetite.



The Board of Directors decides the overall risk management policies and approves the various policies containing the direction and strategies for integrated management of various risk exposures of the company.

These policies shall be assessed and reviewed annually by the Audit Committee of Board and the Risk Management Committee of Board before put up to the Board for effective management of various risks. The company recognizes that the management of risk is integral to the effective and efficient management of the organization.

The overall responsibility of managing risk in the company lies with the Board of Directors, the responsibility of day to day implementation of Risk Management Policy shall be of the company's management.

5. Risk Management Committee (RMC)

The Risk Management Committee shall consist of the following members:

Committee	Comprising of
	Sh. Santosh Kumar, MD & CEO
	Sh. Arvind Kumar Jain, Independent Director
	Sh. Anant Upadhyay, Independent Director

The Risk Management Committee shall be responsible for managing risk in the company and its scope shall be as under:

- Oversee implementation of Risk management system and review thereof
- All the policies related to risk management and Information Technology (IT) framework of the company are to be approved by the RMC before being placed to the Board.
- Review of adequacy of Risk Management process/monitoring of Exposures vis-à-vis internal control system/compliance with the statutory/regulatory framework.
- Any new risk management related initiatives to be presented to RMC before taking to Board.

Group Chief Risk Officer shall be invitee in the RMC meeting.

Minutes of RMC and Action Taken Report (ATR) thereto shall be placed in the subsequent meeting for confirmation. The minutes of the meeting of RMC shall also be placed to the Board for information.

Periodicity of the meeting of the Committee:



The meeting of the committee shall be conducted at least on Quarterly basis or more frequently (if required) wherein discussion on the said agendas along with new issues shall take place.

Quorum of the meeting of the Committee

The quorum of the RMC meeting shall be two members out of four members, with one independent director.

Risk Assessment:

Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed.

To meet the stated objectives, effective strategies for exploiting opportunities are to be evolved and for doing so, key risks are identified and plans for managing the same are laid out.

6. Risks specific to the company and the mitigation measures adopted

A. Business Risk - The term business risk refers to the possibility of inadequate profits or even losses due to uncertainties e.g. economic conditions, strikes, data access by third party, increased competition, changes in government policy etc. **Business risks** implies uncertainty in profits or danger of loss and the events that could pose a risk due to some unforeseen events in future, which causes business to fail.

Business risks comprises of two major risks: **internal business risks** (risks arising from the events taking place within the organization) and **external business risks** (risks arising from the events taking place outside the organization)

(a) **Internal Business risk:** Internal Business risk arising from the unforeseen internal events will be treated as high Risk.

The parameters for assessing the Internal Business Risk are as under:

i. Decline in EBIDTA to Turnover Ratio:

Variation	Risk Level
Nil	Low
Upto 20%	Moderate
20% and above	High



ii. **Variance in projected operational revenue vis-à-vis actual operational revenue:**

Variance in projected operational revenue vis-à-vis actual operational revenue	Risk Level
Positive variance	Low
Negative variance of upto 10%	Moderate
Negative variance of 10% & above	High

iii. **Variance in profitability**

Variance in the projected profitability vis-a-vis actual profitability	Risk Level
Positive variance	Low
Negative variance of upto 10%	Moderate
Negative variance of 10% & above	High

- (b) **External Business Risk:** External Business Risk being the risk that arises on account of events occurring outside the organization, which are difficult to predict and cannot be measured with certainty.

Major components of External business Risk are:

- i. **Increased Competition in the industry;** the industry is rapidly evolving and the company expects that competition will continue to intensify. The Company believes that it is strongly positioned in designated market. It has experienced and qualified team of professionals, Moreover support from the parent bank "Punjab National Bank" makes it strong competitor of the industry. However company is continuously evaluating its strategies depending on market conditions and suitably adopting to change whenever required like for instance in recent past, company has appropriately modified its pricing policy and has started quoting market driven prices by giving extra concessions wherever required; company is also recruiting fresh as well as experienced professionals to support the business given the high attrition witnessed in FY 2021-22.
- ii. **Changes in business & regulatory environment:** Changes in business and regulatory environment may lead to compliance & ESG risks. In recent past, SEBI has introduced certain changes in its regulations,



particularly for Debenture Trustees and Merchant Banking verticals. The company is gearing up to adapt to the changes introduced and ensure compliances in time.

The parameters for assessing the External Business Risk are as follows:

a. Change of Competition against the Company

Particulars	Risk Level
No change in number of Competitors against the Company during the Quarter	Low
New entrants in market against the Company but no impact on Company's business during the Quarter	Moderate
Adverse impact on Company's business due to new entrants in the market during the Quarter	High

b. Change of Government Policy against the Company

Particulars	Risk Level
No change of Government Policy against the Company during the Quarter	Low
Change of Government Policy against the Company during the Quarter but adequate internal resources are available to meet the proposed requirement	Moderate
External support is required to meet the proposed requirement due to change in Government Policy during the Quarter	High

c. Change in Economic Conditions of Company

Particulars	Risk Level
Favorable Changes in Economic Condition of Company during the Quarter	Low
No Changes in Economic Condition of Company during the Quarter	Moderate
Unfavorable Changes in Economic Condition of Company during the Quarter	High

Mitigations:



- **For Internal business Risk:**

- As a redressal mechanism, a Grievance Cell for resolving all the employee's grievances in a timely manner with all the correspondence / records related to such grievances along with liaison with concern authorities in place
- Central secured data base system to maintain all confidential records, including client details and reports prepared by the company.

- **For External business Risk:**

Proactively implementing new strategies/ modifying existing strategies to face increased competition/ changes in govt. policies.

B. Credit Risk

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties.

Since company is not in the business of lending, credit Risk *per se* would not be applicable in the case of the company.

C. Default Risk

Risk of occurrence of events in which counter-parties fail to perform their obligations under the agreement i.e. payment of professional fees to the company on raising the demand upon completion of the assignment/ achieving milestones.

Default Risk Levels can be measured in the following manner:

Default recognized during the quarter as compared to gross fee (%) for the period	Risk Level
Upto 5%	Low
6% -20%	Moderate
20% and above	High

Mitigation:



- Charging of higher fee depending upon the credit rating of client/track record /financial status - higher the risk, the higher the required return, and vice versa.
- Setting up predefined project milestones for payment of fee.
- Obtain post dated cheques from the clients, wherever possible.

D. Market Risk

Risk of losses in positions arising from movements in market prices. It includes Equity risk, currency risk, commodity risk.

The Company has limited exposure to Capital Markets. It may however arise on account of underwriting of shares of IPO of a company, in case the Company acts as a lead manager for raising share capital for the client company in a primary market.

However, Market risk can be measured in the form of percent variation of yield on investment with market yield with comparable risk as defined below:

% Variation of yield on investment	Risk Level
1 – 5%	Low
6 – 10%	Moderate
11% and above	High

Mitigation:

- Company reviews the yield on its investments vis-à-vis with the market prevailing rate on investments with comparable risk and take corrective action whenever required.

E. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Operational Risk can be further classified into the following:

- (a) Business Disruption & Systems Failures** – Business disruption or disruption of normal operations of the firm resulting from utility disruptions, software & Hardware failures, business disruptions due to pandemics, floods, war etc.



Business Disruption & Systems Failures effect the normal operation of the firm and can be measured in the form of days when operations of the company were affected.

No. of affected days	Risk Level
1-2	Low
3-5	Moderate
6 and above	High

Mitigation:

- Taking backup of all the computers to ensure retrieval of information in case of failure of one or other system and maintaining the Backup offsite.
- Endeavoring adherence to the norms of IT Management policy.
- Alternative power supply to obviate interruption in the working due to power failure.

(b) Human Risk – Risk arising from human errors like data entry errors, accounting errors, failed mandatory reporting and negligent loss of client assets. It can be measured by number of misconducts/ instances of negligence by the employees, civil action against company and levy of penalty by regulatory authorities.

The parameters arising from human errors can be measured as under:

Causes of Risk	Risk Level
No Misconduct by employees and no penalty by Regulatory authorities	Low
Mis-Conduct/Negligence of employees resulting in Civil action against company	Moderate
Mis-Conduct/Negligence resulting in financial loss to the company	High

Errors	Risk Level
No error	Low
First time error	Moderate
Repeated errors	High

Mitigation:



- Preparation of Manuals/ Job card, Standard Operating procedure to guide employees to perform their duties as per set procedures.
- Providing proper training to employees to mitigate people related risk.
- Associating responsibility with work to inculcate a sense of accountability in employees, eventually resulting in responsible employees and decreasing errors due to human mistakes.

(c) Key person Risk

Financial advisory firms are particularly vulnerable to key man risk as the nature of advice often means advisers develop personal relationships with their clients during the project interactions, who will often follow the adviser out of the door.

Key Person Risk can be measured by the percentage of Key Persons in a company as defined below:

Percent of Key Persons	Risk Level
Upto 14%	Low
15 to 30	Moderate
Above 30%	High

Mitigation:

- Incorporating record management system in the company operations.
- Sharing of vital information among the workforce. Cross-training to improve staff knowledge, confidence and morale.
- Making Teams under the Key Persons and reshuffling the teams on time to time basis.
- Encouraging key people to share responsibilities by introducing revolving roles or Job Shadowing which involves working with another employee to learn new aspects related to the job, organization, certain behaviours or competencies.

(d) Attrition Risk:

Risk related to "How long employees tend to stay" or " The rate of traffic through the revolving door". High turnover may be harmful to a company's productivity if skilled employees are often leaving and the worker population contains a high percentage of novice workers.



Attrition risk level and its severity can be measured in the following manner:

Attrition % in a year	Risk Level
Upto 14%	Low
15 to 30	Moderate
Above 30%	High

Mitigations:

- Conducting exit interviews.
- Paying market driven salary.
- Introducing employee satisfaction/ welfare measures.
- Retrieving organizational information and equipment/s from the outgoing employee.
- Providing thorough orientation and training to increase motivation & satisfaction level of the employees.

(e) Data/Information access by third party during the period

Risk related to Data/Information access by third Party can be measured in the following manner:

Particulars	Risk Level
No Data access by Third Party	Low
Data access by Third Party with adequate arrangements	Moderate
Data access by Third Party with no adequate arrangements	High

Capital Calculation for Operation Risk

Under Basel II, the following three approaches for calculation of charge on capital for Operational Risk have been suggested:

- Basic Indicator Approach (BIA)- based on annual revenue of the Financial Institution
- Standardized Approach (TSA)- based on annual revenue of each of the broad business lines of the Financial Institution
- Advanced Measurement Approaches (AMA)- based on the internally developed risk measurement framework of the bank adhering to the standards prescribed (methods include IMA, LDA, Scenario-based, Scorecard etc.)



As per regulatory provision there is no requirement for company to maintain capital charge for operation risk. However, as a matter of prudence the Company is maintaining capital charge for operational risk at 15% as prescribed by RBI guidelines in the Basic Indicator Approach (BIA), which is equal to average over the previous three years of positive annual gross income.

Risk Management Committee assesses the level of reputation risk on quarterly intervals, based on scorecard approach.

The attributes of various parameters have been calibrated for assessment of reputational risk on quarterly intervals. The detail table of each parameter of reputational framework, depicting the weights/ attributes is as under and placed at Annexure "A":

Sr. No.	Parameter	Weight
1	Number of regulatory penalties imposed on the Company	20
2	Return on equity vis a vis previous three years average	5
3	No. of Complaints	10
4	Attrition Rate of Employees in the Company viz. a viz total number of employees	5
5	No. of incidence of fraud by employees	5
6	No. of Unsuccessful Mandate viz a viz total mandate received during the last financial year	5
7	No. of legal cases filed against the company	10
8	Adverse News against the Company	20
9	Blacklist/Negative Listing by any organization	20
	Total	100

In order to make the reputational risk framework more effective, the total score is divided into different score bands representing different level of risks, in line with the parent bank, for the purpose of monitoring.

Description	Score Band
Negligible Risk	<= 29
Low Risk	30-37
Medium Risk	38-46
High Risk	47-58
Reputation at stake	>58



The authority to determine whether the level of risk indicates a crisis situation and warrants immediate action is with the management of the company, which shall place the matter to RMC and Board.

Roles & Responsibilities

RMC to assess the reputation risk at quarterly intervals and place the findings to the Board of the Company.

Trigger Levels and Action Proposed:

	Level of Risk Index	Action Proposed
Triggers based on Reputation risk scorecard assessment	Negligible & Low Level	Company does not consider negligible and low level as material risk, hence no action is required at these levels. However the Activity Owner shall continue to monitor their respective parameters.
	Medium Level	RMC shall initiate action to contain the emerging risk through the Activity Owner of respective parameters
	High Level	The matter be escalated to MD & CEO/Board and immediate action shall be initiated to contain the emerging risk through specific plan
Initiating crisis management	Head of the Branch/Representative Offices to monitor the adverse reputational events on continuous basis, and keep on informing to COO/MD & CEO.	

The Policy of Risk Management shall be reviewed on annual basis or more frequently as & when required.



Annexure- A

Sr. No.	Parameter	Weight	Attributes	Score	Comments for the period	Comments for the period	Score Obtained
1	Number of regulatory penalties imposed on the Company	20	No regulatory penalties	0			
			Decrease during the last quarter	5			
			Increase during the last quarter	10			
			Continuous increase in trend during the last two quarters	15			
			Continuous increase in trend during the last three quarters	20			
2	Return on equity vis a vis previous three years average*	5	Return on equity is equal or higher than that of the average of three years	0			
			lower return on equity than that of the average by 10%	2			
			lower return on equity than that of the average by 25%	3			
			lower return on equity than that of the average by 50%	5			
3	No. of Complaints	10	No Complaints during the quarter	0			
			Decrease number of complaints as compared to previous quarter	2			
			Increase number of complaints as compared to previous quarter	6			
			Continuous increase of complaints for the last three quarters.	10			
4	Attrition Rate of	5	Zero Attrition	0			



	Employees in the Company viz. a viz total number of employees		Upto 14%	1			
			15% to 24%	3			
			More than 24%	5			
5	No. of incidence of fraud by employees	5	Nil Incidence of Fraud	0			
			Upto 2 incidence of Fraud	3			
			More than 3 incidences of Fraud	5			
6	No. of Unsuccessful Mandate viz a viz total mandate received during the Quarter 1	5	No unsuccessful mandate	0			
			Upto 10% of the total mandate	1			
			11% to 25% of the total mandate	3			
			Above 25%	5			
7	No. of legal cases filed against the company	10	No legal case filed	0			
			Decrease number of legal cases as compared to previous quarter	2			
			Increased during the quarter in comparison to previous quarter	6			
			Number of litigations is continually increasing during the 3 quarter	10			
8	Adverse News against the Company	20	There is no adverse news	0			
			Any adverse news during the quarter	10			
			More than one occasion of adverse news	20			
9	Blacklist/Negative Listing by any organisation	20	No Black listing/negative listing	0			
			Black listing/negative listing of any organisation/institution	10			
			Black listing/negative listing of more than one organisation/institution	20			
Total Score		100					

