

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the First Annual Report of PNB Cards & Services Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2022.

1. Financial Performance Highlights

Your Company is a wholly owned subsidiary of Punjab National Bank, incorporated under Companies Act, 2013 to undertake non-financial support service related only to Credit Card business of the bank. The Company shall cater to the operational needs of the bank and not to any other entity/individual.

The Company was incorporated on March 16, 2021 and the table below summarises the key financials of your Company for FY2022:

Rs. In Lakh	
Particulars	FY 2022
Total Income	322.73
<i>Less: Expenses other than Depreciation and Taxes</i>	300.10
Profit before Depreciation and Taxes	22.63
<i>Less: Depreciation</i>	4.70
<i>Less / Add: Extraordinary / Exceptional Item</i>	-
Profit Before Taxes	17.92
<i>Less: Provision for Taxes (including deferred tax)</i>	4.63
Profit after Tax (PAT)	13.29
Net Profit carried to Balance Sheet	13.29
Equity Capital	1500
Reserves & Surplus	13.29
Net Worth	1513.29
EPS (In Rs.)	0.09

Revenue:

Your Company registered total income of Rs. 322.72 lakh for FY 2022. The operating income for FY 2022 was Rs. 22.62 lakh. The Company booked other income of Rs. 62.04 lakh in FY 2022. Other income is mainly interest on Fixed Deposits.

Profit after Tax

Profit after tax (PAT) for the Financial Year 2022 was Rs. 13.29 lakh.

The Company is engaged in non-financial support services related to Credit Card business of Punjab National Bank only and has one domestic operation. Accordingly, the Company has only one reportable business and geographical segment. Therefore Segment-wise reporting is not applicable for the Company.

Share Capital

The authorised and paid share capital of the Company stood at Rs. 25 Cr (divided into 2.5 Cr Equity Shares of Rs. 10/- each) and Rs. 15 Cr (divided into 1.5 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 surplus in the Profit and Loss Account of the company was Rs. 13.29 lakh, No profits for the year have been transferred to Reserves during the reported year.

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. Change in Articles of Association of the Company

During the year, the following amendments in the Articles of Association of the Company were approved by the shareholders through special resolution passed at Extra Ordinary General Meeting of the Company held on January 20, 2022.

- i. Article 97(iii) of the Articles of Association of the Company regarding the board composition was deleted and replaced by new Article 97(iii) and
- ii. Article 149A was inserted regarding Inspection of books of accounts and other books and documents etc. of the Company by Punjab National Bank.

4. Dividend

The Company is in formative stage therefore the Board has not recommended any dividend for the financial year 2021-22.

5. Amount Transferred to Reserves:

The company has not transferred any profits to the reserves during the financial year ended 31st March, 2022.

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

There is no material change, commitment and litigation 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.

7. Business Outlook

India has traditionally been a debit card market. However, the growth in credit card issuance in the last decade has changed this narrative and credit cards are being used prominently. This growth is further accelerated by the various products and services being offered by FIs, and such products are being increasingly used by customers, especially the millennial population.

The banking system reported over 1.2 million new credit card additions in November 2021. The outstanding credit card dues of issuers stands at Rs. 1.19 trillion in March 2020, Rs. 1.31 trillion in March 2021 and Rs. 1.47 trillion in March 2022 posting a growth of 9.4 percent in FY21 and 12.6 percent in FY22.

The total value of credit card transactions is expected to reach Rs. 51.72 trillion by FY 2027, expanding at a CAGR of 39.22% during the FY 2022 – FY 2027 period. The volume of credit card transactions is projected to expand at a CAGR of 26.43% during the forecast period up to 2027.

India is witnessing rapid growth in consumer spending and by 2027, it is expected that two out of every three transactions will be via digital modes of payments. The rise in income in semi-urban and rural markets provides a great opportunity to the banking industry.

There have been numerous efforts from the central government and RBI to make India a digital economy. The RBI's announcement to launch a central bank digital currency and innovations such as UPI payments are steps in the same direction.

Currently Punjab National Bank is having huge base of around 18 Crore Customers. However, total issued Credit Cards are around 3.27 lakh. As such, there is a vast scope to tap the ETB (Existing to Bank) customer base along with the NTB (New to Bank) Customers.

All these along with simplified customer onboarding through digital modes with emphasis on a higher degree of customer awareness and greater acceptance further reinforce the opportunity for the business.

We intend to further expand our business in FY 2022-23 to support growth and capture new opportunities across the country by the engagement of Sales Executives/DSAs as well as more aggressive offers & tie ups.

8. Human Resources

Total number of employees of the Company as on 31.03.2022 were 14 (all employees on deputation from the parent Bank). The Company has maintained peaceful and harmonious relations with its employees. No employee is related to any Director of the Company.

9. Board of Directors

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

- Sh. SeshabhadraSrinivasa MallikarjunaRao Chamarty, Sh. Vijay Dube and Sh. Gauri Prasad Sarma, were appointed as first directors of the Company at the time of incorporation. Thereafter, Mr. Swarup Kumar Saha was nominated as a Director in place of Mr. Vijay Dube with effect from March 16, 2021.
- Sh. Seshabhadrasrinivasa Mallikarjunarao Chamarty was appointed as Chairman & Nominee Director, with effect from March 16, 2021 and ceased to be a Director on the Board with effect from 20/01/2022. The Board places on record its appreciation for the valuable contribution made by him during his tenure in the company.
- Sh. Swarup Kumar Saha, Non-Executive Nominee Director, who was initially appointed with effect from March 16, 2021, was made Chairman of the Company w.e.f January 21, 2022. Sh. Saha ceased to be a director w.e.f. June 02, 2022.
- Sh. Aditya Nath Das, Managing Director and CEO, was appointed as a Managing Director and CEO w.e.f April 5, 2021. The members in the 1st Extra Ordinary General Meeting of the Company held on January 20, 2022, approved his appointment as a Managing Director and CEO of the Company.
- Sh. Mahendra Dohare, was nominated as a Director by Punjab National Bank, w.e.f. from November 1, 2021 in place of Sh. Gauri Prasad Sarma, who was appointed as a first director w.e.f. March 16, 2021.

- Sh. Vijay Jasuja, was appointed as an Expert Director w.e.f. April 5, 2021, and the Members in the 1st Extraordinary General Meeting held on January 20, 2022 approved the same.
- Sh. Kalyan Kumar was nominated as a director and Chairman w.e.f. June 06, 2022 in place of Sh Swarup Kumar Saha in accordance with the terms of the Articles of Association of the Company.
- Sh. Rakesh Gandhi was nominated as a Director of the Company on May 7, 2022.

10. Directors Retiring by Rotation

Shri Aditya Nath Das (DIN: 09140900) and Shri Vijay Jasuja (DIN: 07924822), Directors of the Company retire by rotation and have offered themselves to be reappointed at the ensuing Annual General Meeting. The Board has recommended their re-appointment.

11. Appointments / Resignations of the Key Managerial Personnel

During the financial year under review, Sh. Aditya Nath Das was appointed as MD & CEO on the Board of the Company. Sh. Sachin Ludhiyani- CFO and Ms. Ekta Pasricha-Company Secretary are the Key Managerial Personnel in terms of section 2(51) of Companies Act, 2013 as on the date of report.

12. Corporate Insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC)

No such process initiated during the period under review under the Insolvency and Bankruptcy Code, 2016 (IBC)

13. 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.

14. Details of number of General Meetings, Board meetings and other Committee meetings held along with attendance during the year 2021-22

Annual Meeting	General	The First AGM of the Company is scheduled to be convened on December 21 st , 2022 at 01:30 PM
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Extra Ordinary General Meeting		1st Extra Ordinary General Meeting of the Company was held on 20.01.2022. The requisite quorum of 6 members present in the meeting.
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Dates of Board Meetings held during the year 2021-22

Board Meeting SI. No.	Date of Board Meetings
1.	05.04.2021
2.	31.08.2021
3.	24.12.2021
4.	31.12.2021

Attendance of Directors in Board meetings held during the year 2021-22

Names	Designation	No. of meetings eligible to attend	No. of meetings attended
Shri CH. S. S. Mallikarjuna Rao (Appointed as Chairman from 05.04.2021 to 20.01.2022)	Chairman & Non Executive Director	4	4
Shri Swarup Kumar Saha (Appointed as Director from 05.04.2021 to 02.06.2022)	Non Executive Director	4	4
Shri Gauri prosad Sarma (Appointed as First Director from 16.03.2021 to 01.11.2021)	Non Executive Director	2	2
Shri Aditya Nath Das (Appointed as Managing Director & CEO from 05.04.2021)	Managing Director & CEO	4	4
Shri Vijay Jasuja (Appointed from 05.04.2021)	Non Executive Director (Expert)	4	4

Shri Mahendra Dohare (Appointed from 01.11.2021)	Non Executive Director	2	2
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15. Independent Directors

The 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, as a matter of good Corporate Governance, the Company is in process of appointment of an Independent Director as per the provisions of Article 97(iii)(f) of the Articles of Association of the Company.

16. Remuneration of Directors:

Directors (other than PNB Nominees) are paid sitting fees for attending Board Meetings. The Managing Director & CEO of the Company, being an employee of Punjab National Bank, is paid salary as per the rules applicable to the Bank.

17. 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, 2022 and the Profit and Loss Account for the year ended March 31, 2022.
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.

18. 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 RBI or any 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.

19. Corporate Social Responsibility (CSR) Initiatives

The provisions of Section 135 of the Companies Act, 2013 and the rules framed there under, with respect to Corporate Social Responsibility are not applicable for the reporting period.

20. Auditors:

M/s Agarwal Anil & Co., Chartered Accountants were appointed as the Statutory Auditor of the Company for the financial year 2021-22 by the Comptroller & Auditor General of India (CAG) under the provisions of Section 139 (5) of the Companies Act, 2013.

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

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

CAG vide their letter dated 14.07.2022 forwarded the comments of Comptroller & Auditor General of India on the financial statements of the Company for the year ended 31st March 2022 under section 143 (6) (a) of the act, enclosed as "Annexure A" to this report.

22. 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.

23. Subsidiaries, Joint Ventures and Associate Companies

The Company is a wholly owned subsidiary of Punjab National Bank, however has no Subsidiary, Joint venture or Associate Company.

24. Extract of Annual Return

The Company has no website therefore the provisions sub-section (3) of Section 92 of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 to upload the extracts of Annual Return are not applicable to the Company.

25. Nomination and Remuneration Committee and Policy

The provisions of Section 178 related to formation of Nomination and Remuneration Committee are not applicable to the Company. However, the Company has constituted a Nomination Remuneration Committee and has formulated the necessary policies.

26. Audit Committee and vigil mechanism for directors and employees

The provisions of Section 177 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.

27. 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.

28. Contracts or Arrangements with Related Party

During the period under review Company has entered into a Memorandum of Undertaking with Punjab National Bank on 03.11.2021 to cater to the operational needs relating to credit card business of Punjab National Bank. Necessary disclosures regarding the related party transactions during the year has been provided in the Note 29 of the financial statements of the Company.

Further, in terms of the provisions of clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, necessary disclosures are placed in Form AOC-2 as '**Annexure B**'.

29. 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.

30. 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. 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.

31. Risk Management Policy:

The Company has taken adequate measures for risk management, the risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. In opinion of the Board there are no risk which may threaten the existence of the Company.

32. 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 compliances relating to the maintenance of cost accounts and records are not applicable to the company.

33. Details of revision of financial statement or the Report

The Statutory Auditor of the company has revised their Audit Report pursuant to the directions issued by office of Comptroller & Auditor General of India under the provisions of Section 143(5) of the Companies Act, 2013.

34. 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

No order was passed by any authority which may impact the going concern status and company's operations in future.

35. 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.

36. 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.

37. Acknowledgements:


The Board places on record its gratitude to Ministry of Corporate Affairs, Registrar of Companies, Delhi, Punjab National Bank, Statutory Auditor of the Company, Comptroller and Auditor General of India 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 look forward to their continued enthusiasm in meeting the future goals of the Company.

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



**Aditya Nath Das
(MD & CEO)
DIN- 09140900
Place: New Delhi**



**Kalyan Kumar
(Chairman)
DIN- 09631251
Place: New Delhi**

Annexure A
CAG letter dated 14.07.2022

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-11/2(438)/वार्षिक
लेखे(2021-22)/पीएनबी कार्ड्स(2022-23)/200-01
दिनांक: 14-07-2022

सेवा में

प्रबन्ध निदेशक एवं मुख्य कार्यकारी अधिकारी,
पीएनबी कार्ड्स एवं सर्विसेस लिमिटेड
106-109, प्रथम तल, अंसल टावर
38, नेहरू प्लेस,
नई दिल्ली-110019.

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत पीएनबी कार्ड्स एवं सर्विसेस लिमिटेड के 16 मार्च 2021 से 31 मार्च 2022 की अवधि के लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की रिपोर्टें;

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत पीएनबी कार्ड्स एवं सर्विसेस लिमिटेड के 16 मार्च 2021 से 31 मार्च 2022 की अवधि के 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 CARDS & SERVICES LIMITED FOR THE
PERIOD 16 MARCH 2021 TO 31 MARCH 2022**

The preparation of financial statements of PNB Cards & Services Limited for the period 16 March 2021 to 31 March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 Revised Audit Report dated 14 June 2022 which supersedes their earlier audit report dated 26 April 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of PNB Cards & Services Limited for the period 16 March 2021 to 31 March, 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. The Audit report has been revised by the statutory auditor to give effect to one of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under Section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comment on Profitability

A.1 Statement of Profit and Loss

A.1.1 Expenses

Depreciation & Amortization expenses (Note No. 21) - ₹ 4.70 lakh

Non-Current Assets – Fixed Assets

Property, Plant and Equipment (Note No. 10) - ₹ 12.78 lakh

Significant Accounting Policy (D.1) of the Company stipulates that, "*Depreciation on assets is provided on straight-line method based on useful life of the asset on pro rata basis*".

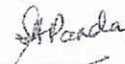
However, the Company while calculating the depreciation omitted to consider the useful life of the assets which resulted in overstatement of Depreciation and understatement of profit by ₹ 3.17 lakh. This has also led to understatement of Property, Plant and Equipment by ₹ 3.17 lakh.

A.1.2 Tax Expenses

Current Tax: ₹ 9.58 lakh

The above is understated by ₹ 0.68 lakh due to erroneous calculation of tax expenses as ₹ 9.58 lakh instead of ₹ 10.26 lakh. This has also led to overstatement of profit for the year by ₹ 0.68 lakh.

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



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

Place: New Delhi
Date: 14.07.2022



Form 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 arms length transactions under third proviso thereto

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

- (a) Name(s) of the related party and nature of relationship
 (b) Nature of contracts/arrangements/transactions
 (c) Duration of the contracts / arrangements/transactions
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 (e) Justification for entering into such contracts or arrangements or transactions
 (f) date(s) of approval by the Board
 (g) Amount paid as advances, if any:
 (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

Sr. No.	Details	Remarks			
a)	Name(s) of the related party and nature of relationship	Punjab National Bank (Holding Company)	Punjab National Bank (Holding Company)	Punjab National Bank (Holding Company)	Punjab National Bank (Holding Company)
b)	Nature of contracts/arrangements /transactions	Customer acquisition (Business support service)	Fixed Deposit	Current Account including prepaid card & sweep deposit	Rent
c)	Duration of the contracts / arrangements/transactions:	ongoing	ongoing	ongoing	Ongoing

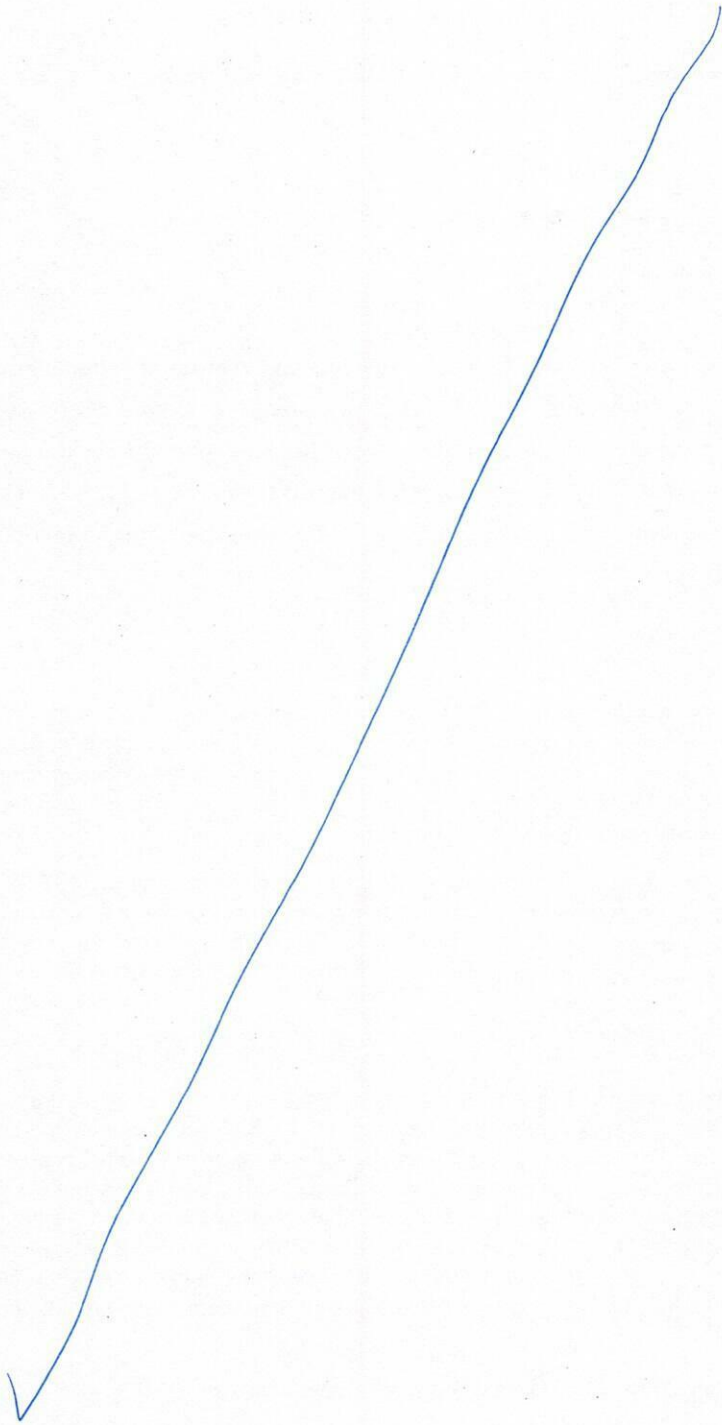
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	In ordinary course of business & at arms length 2,60,68,175/-	In ordinary course of business & at arms length 12,08,84,032/-	In ordinary course of business & at arms length 3,20,84,204.42/-	In ordinary course of business & at arms length Rs. 6,91,040/-
e)	Date(s) of approval by the Board, if any	N/A	N/A	N/A	N/A
f)	Amount paid as advances, if any	-	-	-	-

Note: No approval of the Board/shareholders required in view of the transaction between holding Company and its wholly owned subsidiary, in ordinary course of business and at arms length.

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

**Aditya Nath Das
(MD & CEO)
DIN- 09140900
Place: New Delhi**

**Kalyan Kumar
(Chairman)
DIN- 09631251
Place: New Delhi**



AGARWAL ANIL & CO.

CHARTERED ACCOUNTANTS

1-2 SOUTH EXTN II NEW DELHI-110049

Tele: 011-26259607, E-mail: aan.anil@gmail.com

Revised Report

INDEPENDENT AUDITOR'S REPORT

To the Members of PNB Cards & Services Limited

Report on the Audit of Financial Statements

This is a Revised audit Report. It has been solely revised and restricted to/for inclusion of Annexure C to the Independent Auditors' Report of the company for inclusion of The Report on directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of PNB CARDS & SERVICES LIMITED for the year 2021-22, issued by the office of the Comptroller and Auditor General of India under the provisions of Section 143(5) of the Companies Act, 2013.

Opinion

We have audited the financial statements of PNB Cards & Services Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, and statement of cash flows for the period from 16.03.2021 to 31.03.2022, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, and its cash flows for the period from 16.03.2021 to 31.03.2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

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matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a) 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
- b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- f) 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, 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 March 31, 2022.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. The Report on directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of PNB CARDS & SERVICES LIMITED for the year 2021-22, issued by the office of the Comptroller and Auditor General of India under the provisions of Section 143(5) of the Companies Act, 2013 is attached as Annexure C.

For Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N



Anil
Dr. Anil Agrawal
Partner
Membership No: 082103
UDIN:22082103AKWWXX1081

Place: New Delhi
Date: 14.06.2022

8

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF PNB CARDS & SERVICES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022.

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

1. Fixed Asset:

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c. The Company does not hold any immovable property. Accordingly, the provisions of Clause 3(i) (C) of the order are not applicable.

2. Inventory:

The Company does not have any inventory. Accordingly, the provision of clause 3(ii) of the order are not applicable.

3. Loans, Guarantee and Advances given:

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.

4. Loans, Guarantee and Advances to Director of Company:

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 transactions covered under provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

5. Deposits:

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. Maintenance of costing records:

As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

7. Deposit of statutory liabilities:

- a. According to the records of the company, undisputed statutory dues including Income-tax, Goods and Service tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March 2022 for a period of more than six months from the date they became payable.

[Handwritten signature]

- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

8. Default in repayment of borrowings:

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 borrowed any amount from any financial institution, bank, Government or any debenture holders.

9. Funds raised and utilisation:

Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

10. Fraud and whistle-blower complaints:

According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. Nidhi Company:

The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

13. Related Party Transactions:

According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

14. Internal Audit:

The company does not required to have an internal audit system commensurate with the size and nature of its business.

15. Preferential allotment:

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

16. Non Cash Transactions:

The company has not entered into non-cash transactions with directors or persons connected with him.

17. Cash Losses:

The company has been incorporated on 16.03.2021 and it is the first financial year of the Company. As such, it has not incurred cash losses in the financial year and in the immediately preceding financial year

18. Resignation of Statutory Auditors:

There has been no instance of any resignation of the statutory auditors occurred during the year

19. Material uncertainty on meeting liabilities:

No material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date


20. Transfer to fund specified under Schedule VII of Companies Act, 2013

In respect of other than ongoing projects, the company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

21. Registration under RBI act:

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N


Anil
Dr. Anil Agrawal
Partner
Membership No: 082103
UDIN:22082103AKWWXX1081

Place: New Delhi
Date: 14.06.2022

8

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PNB CARDS & SERVICES LIMITED

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

We have audited the internal financial controls over financial reporting of PNB Cards & Services Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N



A handwritten signature in blue ink, appearing to read 'Anil', is written over the printed name of Dr. Anil Agrawal.

Dr. Anil Agrawal
Partner
Membership No: 082103
UDIN:22082103AKWWXX1081

Place: New Delhi
Date: 14.06.2022

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ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF PNB CARDS & SERVICES LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022.


The Report on directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of PNB CARDS & SERVICES LIMITED for the year 2021-22, issued by the office of the Comptroller and Auditor General of India under the provisions of Section 143(5) of the Companies Act, 2013.

S. No.	Description	Auditors Observation
I.	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.	As such company do not have a system in place to process all the accounting transactions through IT system. As per the information and explanation given to us and based on the verification of books of accounts, the company is maintaining its books of accounts in Accounting Software (Tally Prime) and all the transactions are entered in the System.
II.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company 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).	As per the information and explanation given to us and based on the verification of books of accounts, the company has neither availed any loan nor there is any case of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc.



<p>III.</p>	<p>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. In addition, the auditor is required to comply with any additional Company / Sector specific directions issued under section 143(5) of the Companies Act, 2013 by the Field office entrusted with the supplementary audit of the Company.</p>	<p>As per the information and explanation given to us and based on the verification of books of accounts, the company has not received/receivable any grant/subsidy for any schemes from Central/State Government or its agencies</p>
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For and on behalf of
 Agarwal Anil & Co.
 Chartered accountants
 Firm's Registration Number 003222N
 UDIN:22082103AKWWXX1081

Anil


Dr. Anil Agrawal
 Partner
 M.No. 082103
 Place: New Delhi
 Date: 14.06.2022

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PNB CARDS & SERVICES LIMITED

CIN: U74399DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075

Corp. Office: 106-109, First Floor, Ansal Tower, 38, Nehru Place, New Delhi-110019

Statement of Audited Balance Sheet as at 31st March, 2022

Amount in ₹

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I EQUITY & LIABILITIES			
1) Shareholder's Fund			
a) Share Capital	3	15,00,00,000	
b) Reserve & Surplus	4	13,29,443	
		15,13,29,443	-
2) Non Current Liabilities			
a) Long Term Provisions	5	-	-
3) Current Liabilities			
a) Short Term Borrowings	6	-	
b) Trade Payables	7	2,09,873	
b) Other Current Liabilities	8	49,43,256	
c) Short Term Provision	9	-	
		51,53,129	-
Total		15,64,82,572	-
II ASSETS			
1) Non Current Assets			
a) Fixed Assets			
Tangible Assets	10	12,77,970	
Deferred Tax Asset (Net)	11	4,94,714	
Long Term Loans & Advances	12	-	
Other Non-Current Assets	13	2,19,000	
		19,91,684	-
2) Current Assets			
a) Trade Receivables	14	-	
b) Cash & Bank Balance	15	15,29,68,146	
c) Short Term Loans & Advances	16	15,22,742	
		15,44,90,888	-
Total		15,64,82,572	-

See Accompanying notes to the Financial Statements

-sd-
Sachin Ludhiyani
Chief Financial Officer

-sd-
Ekta Pasricha
Company Secretary

-sd-
Aditya Nath Das
Managing Director & CEO

-sd-
Swarup Kumar Saha
Director

As per our report of even date.

For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

Dr. Anil Agrawal
Partner
Membership No: 082103
Place: New Delhi
Date: 26.04.2022
UDIN: 22082103AHWTYA9704

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PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075

Corp. Office: 106-109, First Floor, Ansal Tower, 38, Nehru Place, New Delhi-110019

Statement of Profit & Loss for the year ended 31st March, 2022

Amount in ₹

Particulars	Note No.	Period ended 31.03.2022	Period ended 31.03.2021
INCOME			
Revenue from Operations	17	2,60,68,175	-
Other Income	18	62,04,399	-
Total Revenue		3,22,72,574	-
EXPENSES			
Employee Benefit Expenses	19	2,11,53,276	-
Finance Cost	20	-	-
Depreciation & Ammortization Expenses	21	4,70,246	-
Other Expenses	22	88,56,675	-
Total Expenses		3,04,80,197	-
Profit Before Extraordinary & Exceptional items			
Exceptional Items	23	-	-
Profit Before Tax		17,92,377	-
Tax Expense:	24		
i) Current Tax		9,57,648	-
ii) Tax adjustment of earlier years		-	-
iii) Deferred Tax Liability/(Asset)		-4,94,714	-
Profit for the period after Tax		13,29,443	-
Earning per Equity Share:	25		
1) Basic		0.09	-
2) Diluted		0.09	-
Face value per equity Share (in Rs.)		10.00	-

See Accompanying notes to the Financial Statements

-sd-

Sachin Ludhiyani
Chief Financial Officer

-sd-

Ekta Pasricha
Company Secretary

-sd-

Aditya Nath Das
Managing Director & CEO

-sd-

Swarup Kumar Saha
Director

For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

-sd-

Dr. Anil Agrawal
Partner
Membership No: 082103

Place: New Delhi
Date: 26.04.2022
UDIN: 22082103AHWTYA9704

PNB CARDS & SERVICES LIMITED
 CIN: U74999DL2021PLC378579
 Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075
 Corp. Office: 106-109, First Floor, Ansal Tower, 38, Nehru Place, New Delhi-110019

Statement of Cash Flows for the year ended 31st March, 2022

(Amount in ₹)

Particulars	Year Ended	
	Mar 31, 2022	Mar 31, 2021
A. Cash Flow from Operating Activities		
Net Profit/(Loss) after Tax	13,29,443	-
Provision for Tax	4,62,934	-
(I) Net Profit/(Loss) before Tax	17,92,377	-
(II) Adjustments for:		
Interest on Fixed Deposits	(60,36,676)	-
Depreciation	-4,70,246	-
Provision for expenses	2,64,100	-
Sub Total	(53,02,330)	-
Operating Profit/(Loss) before Working Capital Changes (I+II)	(35,09,954)	-
(III) Adjustment for net change in Working Capital		
Decrease/(Increase) in Current Asset	(13,35,802)	-
Increase/(Decrease) in Current Liability	48,89,029	-
Decrease/(Increase) in Non Current Assets	(2,19,000)	-
	33,34,228	-
Cash generated from Operations (I+II+III)	(1,75,726)	-
Direct Taxes paid (including Interest)	(11,44,589)	-
A Net Cash Flow/ (used in) operating activities (A)	(13,20,315)	-
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(17,48,215)	-
Sale of Fixed Assets	-	-
Interest Received on FDR	60,36,676	-
Net cash flow/(used in) investing activities (B)	42,88,461	-
C. Cash Flow from Financing Activities		
Issue of Equity Shares	15,00,00,000	-
Net cash flow/(used in) financing activities (C)	15,00,00,000	-
Net change in Cash and Cash equivalents (A+B+C)	15,29,68,146	-
Cash and Cash equivalents as at beginning of the year	-	-
Cash and Cash equivalents as at end of the year	15,29,68,146	-
Note:		
1 Components of Cash and Cash equivalents:		
Cash on Hand	-	-
Balances with Banks in		
In Current Accounts	2,97,23,728	-
in Savings/Current (Deposit)	40,281	-
in Fixed deposit account with maturity less than 3 month (including interest accrued)	23,20,105	-
Other Bank Balances		
Balance with Banks		
In Fixed deposit account with maturity more than 3 month but within 12 month (including interest accrued)	12,08,84,032	-
	15,29,68,146	-
2 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		
3 Figures in the bracket represents cash outflow from respective activities.		

-sd-
 Sachin Ludhiyani
 Chief Financial Officer

-sd-
 Ekta Pasricha
 Company Secretary

-sd-
 Aditya Nath Das
 Managing Director & CEO

-sd-
 Swarup Kumar Saha
 Director

For M/s. Agarwal Anil & Co.,
 Chartered Accountants
 FRN: 003222N

-sd-
 Dr. Anil Agrawal
 Partner
 Membership No: 082103
 Place: New Delhi
 Date: 26.04.2022

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PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-10, New Delhi-110075

Corp. Office: 106-109, First Floor, Ansal Tower, 38, Nehru Place, New Delhi-110019

Notes forming Part of Financial Statements for the year ended March 31, 2022

Particulars	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
Note 3: Share Capital		
<u>Authorized Capital</u>		
2,50,00,000 Equity shares of Rs.10/- each	25,00,00,000	-
<u>Issued, subscribed and Paid up</u>		
1,50,00,000 Equity shares of Rs.10/- each fully paid up	15,00,00,000	-
	15,00,00,000	-

Shares held by Holding/Ultimate Holding Company and/or their Subsidiaries/Associates

Name of Shareholder	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
1) Punjab National Bank, the holding Company and its nominees		
- No. of Shares	1,50,00,000	0
- % of total shareholdings	100%	0

Details of shareholders holding more than 5% shares

Name of Shareholder	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
1) Punjab National Bank, the holding Company and its nominees		
- No. of Shares	1,50,00,000	0
- % of total shareholdings	100%	0

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

Particulars	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
At the beginning of the year	-	-
Add: Issued during the year	1,50,00,000	-
Outstanding at the end of the year	1,50,00,000	-

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.

Disclosure of Shareholding of promoters

Shares held by promoters at the end of the year				% change during the year
S.No.	Promoter Name	No. of Shares	% of total Shares	
1	Punjab National Bank	1,50,00,000	100%	N.A.

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 4: Reserve & Surplus		
Surplus in statement of Profit & Loss		
Opening Balance	-	-
Add: Profit for the period	13,29,443	-
	13,29,443	-
Less:		
Appropriations	-	-
- Dividend declared of previous year	-	-
- Tax on Dividend	-	-
Closing Balance	13,29,443	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 5: Long Term Provisions	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 6: Short Term Borrowings	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 7: Trade Payables		
Trade Payables	-	-
Others	2,09,873	-
	2,09,873	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 8: Other Current Liabilities		
Duties & Taxes	46,21,994	-
Employees Additional Rent	5,000	-
Union Contribution Payable (Employees)	-	-
Expenses Payables	2,64,100	-
Retention Money	52,162	-
Employees Statutory Dues Payable	-	-
	49,43,256	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 9: Short Term Provisions		
Provision for Income Tax	-	-
	-	-

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PNB CARDS & SERVICES LIMITED

CIN: U74999DL2021PLC378579

Reg. Office: Plot No.4, Dwarka Sector-1C, New Delhi-110075

Corp. Office: 706-109, First Floor, Airtel Tower, 36, Nehru Place, New Delhi-110019

PROPERTY, PLANT AND EQUIPMENT AS ON 31.03.2022

Note No. 10 -PLANT PROPERTY AND EQUIPMENT

S.No.	Particular	GROSS BLOCK				DEPRECIATION				NET BLOCK										
		As on 01.04.2021	Additions During the year	Acquired through business combinations	Sale / Disposal	Revaluations/ (Impairments)	Sale/Adjustment	Total as on 31.03.2022	Upto 31.03.2021	Depreciation charge for the year	Adjustments for prior period	Acquired through business combinations	Sale / Disposals	Revaluations/ (Impairments)	Total As on 31.03.2022	Sales Value	(Loss)/Profit on sale	As on 31.03.2022	As on 31.03.2021	
I.	Tangible Assets																			
a)	Computers, Laptop & Printers	-	11,52,053	-	-	-	11,52,053	-	-	4,50,500	-	4,50,500	-	-	4,50,500	-	-	7,01,553	-	-
b)	Softwares	-	18,000	-	-	18,000	18,000	-	-	2,530	-	2,530	-	-	2,530	-	-	15,470	-	-
c)	Office Equipments	-	25,599	-	-	25,599	25,599	-	-	4,272	-	4,272	-	-	4,272	-	-	21,327	-	-
d)	Leasehold Improvements	-	5,52,563	-	-	5,52,563	5,52,563	-	-	12,944	-	12,944	-	-	12,944	-	-	5,39,620	-	-
		-	17,48,215	-	-	17,48,215	17,48,215	-	-	4,70,246	-	4,70,246	-	-	4,70,246	-	-	12,77,970	-	-

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Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 11: Deferred Tax Asset (Net)		
Deferred Tax Asset/(Liability)		
- Pre Incorporation Expense	4,94,714	-
- Carried Forward Losses	-	-
	4,94,714	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 12: Long Term Loans & Advances		
	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 13: Other Non Current Assets		
ii) Security Deposit for Rental Accommodation of Employees Unsecured, considered good	2,19,000	-
	2,19,000	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 14: Trade Receivables		
i) Outstanding for a period exceeding 6 months from the date they were due. Unsecured, considered good	-	-
ii) Other Trade Receivables Unsecured, considered good	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 15: Cash & Bank Balances		
a) Cash & Cash equivalents		
Balance with Banks		
In Current Accounts	2,97,23,728	-
In Suvidha Card (Imprest Account)	40,281	-
In Fixed deposit account with maturity less than 3 months (including interest accrued)	23,20,105	-
b) Other Bank Balances		
Balance with Banks		
In Fixed deposit account with maturity more than 3 months but within 12 months (including interest accrued)	12,09,84,032	-
	15,29,68,146	-

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Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 16: Short Term Loans & Advances		
A Unsecured considered good		
Balances with Statutory / Government Authorities:		
Input Tax Credit of GST	13,30,214	-
Income Tax Refund Current year	1,86,941	-
Amount recoverable from Employees	-	-
Prepaid Expenses	5,587	-
Sundry Receivables	-	-
	15,22,742	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 17: Revenue from Operations	2,60,68,175	-
	2,60,68,175	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 18: Other Income		
Interest on Fixed Deposit	60,36,676	-
Interest on Sweep Deposit	1,67,723	-
	-62,04,399	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 19: Employee Benefit Expenses		
Salary Allowances and other Benefits	1,76,15,153	-
Contribution to Statutory and other funds	14,35,123	-
Staff Welfare	-	-
Lease Rent for Residential Accomodation	21,03,000	-
	2,11,53,276	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 20: Finance Cost	-	-
	-	-

Particulars	As at 31.03.2022 (Amount in Rs.)	As at 31.03.2021 (Amount in Rs.)
Note 21: Depreciation & Ammortization		
Depreciation and Ammortization	4,70,246	-
	4,70,246	-

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Particulars	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
Note 22: Other Expenses		
Auditors Remuneration	2,25,000	-
Bank Charges	400	-
Brokerage	99,000	-
Bulk SMS Charges	9,924	-
Business Promotion Expenses	20,778	-
Conveyance, Tour & Travel	18,48,531	-
Cleansing Expense	51,800	-
Domain Registration Charges	28,135	-
Digital Onboarding Application Charges	9,72,200	-
Entertainment Expenses	1,55,454	-
Incorporation Expenses	24,37,661	-
Legal & Professional Expense	67,268	-
Miscellaneous Expense	148	-
Maintenance of Leasehold Premises	1,89,411	-
Newspaper & Periodicals	59,400	-
Office Expenses	52,587	-
Postage, Telephone & Internet	1,51,537	-
Printing & Stationary	37,684	-
Rent	6,91,040	-
Repair & Maintenance	2,390	-
Retainership Fee-CS	3,36,000	-
Recruitment Expenses	51,840	-
ROC Fee	12,600	-
Subscription of Software/Digital Certificates	7,62,600	-
Sitting Fee (Director)	2,40,000	-
Trade Mark Fee	54,000	-
Travelling Expenses (Directors)	16,303	-
Travelling Expenses	2,23,720	-
Water & Electricity Expenses	59,264	-
	88,56,675	-

Particulars	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
Note 23: Extraordinary and Exceptional items	-	-
	-	-

Particulars	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
Note 24: Current Tax		
Provision for Income Tax for Current Year	9,57,648	
Taxes paid/(reversed) for earlier years		
	9,57,648	0

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Particulars	As at	As at
	31.03.2022	31.03.2021
	(Amount in Rs.)	(Amount in Rs.)
Note 25: Earnings per Share (EPS)		
Net Profit/(Loss) as per Profit & Loss statement	13,29,443	
Number of equity shares at the beginning of the year	-	
Number of equity shares issued during the period	1,50,00,000	
Total number of equity shares outstanding at the end of the period	1,50,00,000	
Weighted average number of equity shares outstanding during the period	1,47,12,329	
Nominal Value of Shares	10.00	
Basic & Diluted Earning per Share	0.09	

Sachin Ludhiyani
Chief Financial Officer

Ekta Pasricha
Company Secretary

-sd-
Aditya Nath Das
Managing Director & CEO

-sd-
Swarup Kumar Saha
Director

For M/s. Agarwal Anil & Co.,
Chartered Accountants
FRN: 003222N

-sd-
Dr. Anil Agrawal
Partner
Membership No: 082103
Place: New Delhi
Date: 26.04.2022