



## **Annual Report 2019-20**

# **PNY SABHA FINANCE LIMITED**

**CIN: U65910KL1995PLC009493**

**7/276A, Peringottukara Namboothiri Yogakshema Sabha Building,**

**Anthikad, Thrissur, Kerala – 680641, India**

**Website: [www.pnysabha.com](http://www.pnysabha.com)**

## **MESSAGE**

Dear Shareholders,

Financial Year 2019-20 ended up with no pride to present the financials before the well wishers of the Company. However the management team is confident to affirm that the Company is in the track of revitalization and will be back in the game with full swing.

The present situation is due to NPA in some high value loans which disbursed during previous fiscals and didn't generate any income during the FY 2019-20. The pandemic Covid 19 also devastated the hope of collection in some sure shot promises of NPA repayments which were scheduled at the fiscal end. The Company is having full confidence in the recovery of those accounts as all such accounts are backed with security and the legal proceedings are in the final stage of almost all the major accounts. But, the current pandemic situation is delaying the court proceedings and there by delaying the recovery proceedings.

Even under the worst situation the company had a tremendous growth in the gold loan, which is the flagship product. The fiscal ended up with glorious colors in gold loan position with a ten digit figure and ended up by creating history by touching the figure of 101.57 Cr. Still the success journey in gold loan is continuing and it cross 115 Cr mark which shows a ray of hope for the Company.

We, the management people of PNY are thankful for the wonderful support of the stakeholders, investors and staff members. The confidence you put is the backbone of the Company and with such confidence, we will stand strong with immense pride and professionalism during the continuing years.

Sincerely

PNYS Management Team



# PNY SABHA FINANCE LIMITED

CIN: U65910KL1995PLC009493

Registered office: 7/276A, Peringottukara Namboothiri Yogakshema Sabha Building,  
Anthikad, Thrissur, Kerala-680641, India

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

E-mail: [cs@pnysabha.com](mailto:cs@pnysabha.com)

Phone: 0487-2630208

## NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the company will be held on Wednesday, 30<sup>th</sup> December, 2020 at 11.00 hrs IST through Video Conferencing ("VC") to transact the following business:

### Ordinary Business:-

1. To consider, approve and adopt the Audited Financial Statements of the Company comprising the Balance Sheet as on March 31, 2020, Statement of Profit & Loss and Cash Flow Statement and Notes thereto for the financial year ended on March 31, 2020 together with the Report of the Board of Directors and Auditors' thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the members hereby take note the re-appointment of **M/s T V GANESA IYER & CO**, Chartered Accountants, as Auditors of the Company who were appointed as Statutory Auditor of the company from the conclusion of AGM held in 2020 till the conclusion of AGM of the Company to be held in the year 2025, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors on yearly basis"

3. To appoint Director in the place of Mr. Divakaran Pazhangaparambu Unnikrishnan (DIN: 01608147), who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint Director in the place of Mr. Predeep Mankore Sankaran (DIN: 00323900), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in the place of Mr. Sandeep Paikkattu Neelakandan (DIN: 03589892), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:-

#### 6. Re-Appointment of Mr. Predeep Mankore Sankaran as a Managing Director of the Company

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

**"RESOLVED THAT** Mr. Predeep Mankore Sankaran (DIN: 00323900) who was appointed as the Managing Director of the Company by at the Annual General Meeting held in 2017 for a period of 3 years, who holds office up to the date of this Annual General Meeting, be re-appointed as a Managing Director of the Company with effect from date of 25<sup>th</sup> Annual General Meeting in accordance with the provisions of Sections 196, 203 and other applicable provisions, if any, of the Act read with Rules framed there under (including any statutory modification(s) or re-enactment thereof to the Act) and pursuant to the Articles of Association of the Company

and with the consent of the Members, liable to retire by rotation, for a period of one year on such terms of employment as agreed between him and the Company.”

**7. To re-appoint of Mr. Kodanat Brahmadathan Brahmadathan as an independent director of the company.**

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 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the approval of the members/shareholders of the Company be and are hereby accorded to the Re-appointment of Mr. Kodanat Brahmadathan Brahmadathan (DIN : 06701347) as an ‘Independent Director’ (Non-Executive) on the Board of the Company for a period of five consecutive years from date of 25<sup>th</sup> Annual General Meeting.”

**8. Appointment of Adv. Vasudevan Madhavan Potti as an Independent Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, read with Schedule IV of the said Act, Mr. Vasudevan Madhavan Potti (DIN : 08812262), who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> July, 2020 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from the 25<sup>th</sup> Annual General Meeting.”

**9. Approval u/s 180(1)(c) of Companies Act, 2013**

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

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, the consent of the Company be and is hereby given to the Board of Directors of the Company for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital, free reserves and securities premium of the Company provided that the total amount so borrowed by the Board shall not at any time exceed Rs.500 crores (Rupees Five Hundred crores only) or the aggregate of the paid up capital free reserves and securities premium of the Company, whichever is higher.”

**10. Approval for issue of Secured Redeemable Non-convertible Debentures (NCDs) on private placement**

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

“**RESOLVED THAT** pursuant to provisions of the Section 71 read with the Section 42 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, the consent of the members be and is hereby accorded to the Board of Directors of the Company, to offer and/or invite for issue of Secured Redeemable Non-convertible Debentures (NCDs) on private placement, in one or more tranches, with the consent being valid for a period of one year from the date hereof, on such terms and conditions as may be determined by the Board of Directors.”

**“RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of NCDs pursuant to the authority under this Resolution shall not exceed the limit of Rs.200 crores (Rupees Two Hundred crores only).”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Company Secretary of the Company, to give effect to this resolution.”

By Order of the Board of Directors

**For M/s PNY Sabha Finance Limited**

Sd/-

Predeep Mankore Sankaran

Managing Director (DIN: 00323900)

Place: Anthikad

Date: 27.11.2020

**Notes:**

1. Pursuant to the MCA circulars, provisions for appointment of proxies by the members are not available for the AGM held through VC. Accordingly, the facility for appointment of proxy for this AGM has not been provided to the members and the proxy form is not annexed to this notice.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto and forms part of the Notice.
3. In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. Such remote e-voting facility is in addition to voting that shall take place at the meeting venue on 30<sup>th</sup> December 2020. The members can, however, opt for only one mode of voting i.e. either physically voting at the AGM or e-voting. A separate e-voting instruction slip is enclosed explaining the process of e-voting with necessary user id and password along with procedure for such e-voting.
4. The company has appointed Sri. M. Vasudevan FCS, Practising Company Secretary, Thrissur, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner and in accordance with the provisions of the Act and the Rules made there under.
5. All documents referred to in accompanying notice and explanatory statement shall be open for inspection at the Registered Office of the Company between 11 a.m to 1 p.m on all working days except Saturdays, up to and including the date of Annual General Meeting.

**CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.pnysabha.com](http://www.pnysabha.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- a) The voting period begins on Sunday, 27th December, 2020 at 9.00 A.M and ends on Tuesday, 29th December 2020 at 5.00 P.M During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd December 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- d) Click on "Shareholders" module.

- e) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- f) Next enter the Image Verification as displayed and Click on Login.
- g) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- h) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN for the relevant PNY SABHA FINANCE LIMITED on which you choose to vote.
- m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company email id: cs@pnysabha.in
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company email id: cs@pnysabha.in

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.



6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

#### **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@pnysabha.in](mailto:cs@pnysabha.in) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item 6: Re-Appointment of Mr. Predeep Mankore Sankaran as a Managing Director of the Company**

Mr. Predeep Mankore Sankaran was appointed as the Managing Director of the company in the Annual General Meeting held in the year 2017 for a period of 3 Years. The Board of Directors pursuant to the recommendation of Nomination and Remuneration Committee recommends re-appointment of Mr. Predeep Mankore Sankaran (DIN: 00323900) as the Managing Director of the Company for one year with effect from the date of 25<sup>th</sup> Annual General Meeting. Accordingly the resolution is placed at this meeting for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Predeep Mankore Sankaran is concerned or interested, financially or otherwise, in the resolution.

The Board recommends these Resolutions for your approval.

**Item 7: To re-appoint of Mr. Kodanat Brahmadathan Brahmadathan as an independent director of the company**

Mr. Kodanat Brahmadathan Brahmadathan was appointed as the independent director of the company in the Annual General Meeting held in the year 2015 for a period of 5 Years. He is eligible for next term of 5 years as the independent director with effect from the date of 25<sup>th</sup> Annual General Meeting. Accordingly the resolution is placed at this meeting for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Kodanat Brahmadathan Brahmadathan is concerned or interested, financially or otherwise, in the resolution.

The Board recommends these Resolutions for your approval.

**Item 8: Appointment of Adv. Vasudevan Madhavan Potti as an Independent Director of the Company**

The Board of Directors pursuant to recommendation of Nomination and Remuneration Committee recommends the appointment of Adv. Vasudevan Madhavan Potti as an Independent Director of the Company effective from date of 25<sup>th</sup> Annual General Meeting for a period of 5 years at the 25<sup>th</sup> Annual General meeting of the Company. Accordingly the resolution is placed at this meeting for approval of the members

None of the Directors and Key Managerial Personnel of the Company and their relatives except Adv. Vasudevan Madhavan Potti is concerned or interested, financially or otherwise, in the resolution.

The Board recommends these Resolutions for your approval.

**Item No.9: Approval u/s 180(1)(c) of Companies Act, 2013**

To meet the fund requirements, the Company may be required to borrow from time to time by way of loans and/or issue of Debentures, sub-debts or other securities. As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital, free reserves and securities premium of the Company requires approval from the shareholders of the Company. It is, therefore, proposed to seek the approval of the shareholders for enhancing the borrowing limits up to Rs.500 crores (Rupees Five Hundred crores only).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board recommends these Resolutions for your approval.

**Item No.10: Approval for issue of Secured Redeemable Non-convertible Debentures (NCDs) on private placement**

The company has been raising funds by issuing Secured Redeemable Non-Convertible Debentures (NCDs) from time to time to meet its working capital requirements. Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2019 the Company is required to obtain approval of its members by way of a special resolution, before making any offer or invitation for issue of NCDs on private placement basis. The company proposes to issue Secured Redeemable Non-Convertible Debentures up to a maximum limit of Rs.200 crores.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board recommends these Resolutions for your approval.

By Order of the Board of Directors

**For M/s PNY Sabha Finance Limited**

**Sd/-**

Predeep Mankore Sankaran  
Managing Director (DIN: 00323900)

Place: Anthikad

Date: 27.11.2020



CIN: U65910KL1995PLC009493

Registered office: 7/276A,

Peringottukara Namboothiri Yogakshema Sabha Building,  
Anthikad, Thrissur, Kerala-680641, India

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

E-mail: [cs@pnysabha.com](mailto:cs@pnysabha.com)

Phone: 0487-2630208

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2019-2020

To,  
The Members

The Directors present the 25<sup>th</sup> Annual Report and Annual Accounts on the business and operations of your company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

### Financial Results:

During the year under review, performance of your company was as under:

(Figures in Rs. Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue	2324.94	2611.54
Expenditure	3040.98	2949.44
Profit/(Loss) before exceptional items	-716.04	-337.89
Less Exceptional Item	0	0
Profit/(Loss) before taxation	-716.04	-337.89
Less : Tax Expense	-213.44	-159.05
<b>Profit/(Loss) after tax</b>	<b>-502.60</b>	<b>-178.84</b>

### State of the Company's Affairs and Future Outlook

In the year of report the company has incurred a loss of Rs. 502.60 Lakhs as against a loss of Rs. 178.84 Lakhs suffered during the previous year. During this year the revenue of the Company has decreased to Rs. 2324.94 Lakhs when compared to last year's revenue of Rs. 2611.54 Lakhs, whereas during this year the expenditure of the Company increased to Rs. 3040.98 Lakhs from the last year's figure of Rs. 2949.44 Lakhs.

### Change in nature of business

During the year of report there was no change in the nature of business of the company.

### Dividend

Since the Company has incurred loss during the year, the board is not proposing any dividend.

### **Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

The provisions of Section 125 (2) of the Companies Act, 2013 do not apply as there were no amounts remained unclaimed and unpaid for a period of seven years from the date it became due for payment and remaining unpaid or unclaimed.

### **Amounts Transferred to Reserves:**

Since Company has incurred loss during the year, no amount has been transferred to the Statutory Reserve. Hence, disclosure under Section 134 (3) (j) of the companies act, 2013 is not required.

### **Changes in Share Capital:**

The authorized share capital of the company was not changed during the year. The subscribed, issued and paid up capital of the company has increased to Rs. 3.73 crores during the year. The details of share allotments during the financial year are as follows:

<b>Date of allotment</b>	<b>No. of shares allotted</b>
31/05/2019	25180
10/07/2019	50600
23/10/2019	40260
17/01/2020	116500
29/02/2020	141100
<b>Total</b>	<b>373640</b>

### **Issue of Equity Shares with Differential Rights/Employee Stock Options/Sweat Equity Shares**

The company has not issued any shares with differential rights or shares under an employee stock option scheme or sweat equity shares during the year.

### **Extract of Annual Return**

The extract of Annual Return in Form No MGT- 9 as per Section 134(3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules 2014 and Rule 12 of Companies (Management and Administration) Rules 2014 is annexed to this report and forms part of this report.

### **Composition of the Board**

The Board of Directors of the company comprising Eleven Directors. Their name, designation, date of appointment and the number of board meetings attended by each of them are given below:

Sl No.	Name of the Director	Designation	Date of Appointment	No. of Board Meeting Attended
1	Divakaran Pazhangaparambu Unnikrishnan	Chairman	28/06/2007	10
2	Predeep Mankore Sankaran	Managing Director	28/06/2007	10
3	Narayanan Kanjiyil Thamarappilli	Director	1/12/2004	10
4	Vasudevan Thekkedathamallur Vasudevan	Director	22/09/2017	10

5	Raman Namboothiri Punnappilly Raman Namboothiri	Director	13/08/2011	10
6	Sandeep Paikkattu Neelakandan	Director	13/08/2011	10
7	Kodanath Brahmadathan Brahmadathan	Director	20/09/2015	10
8	Narayanan Polpakkara Mana	Director	21/09/2014	10
9	Unnikrishnan Njanappilly Damodaran	Director	22/09/2017	9
10	Narayanan Namboodiri Krishnan Namboodiri Pazhangaparambu Mana	Director	22/09/2017	10
11	Kesavan Mankora Subramanian	Director	22/10/2016	10

### Board Meetings

During the Financial Year 2019-20, Ten (10) meetings of the Board of Directors of the company were held. Board meeting dates and the attendance of directors are given below:

Sl No.	Date of Meeting	Board Strength	No. of Directors Present
1	09/05/2019	11	11
2	31/05/2019	11	11
3	10/07/2019	11	11
4	31/07/2019	11	10
5	03/09/2019	11	11
6	23/10/2019	11	11
7	14/11/2019	11	11
8	29/11/2019	11	11
9	17/01/2020	11	11
10	29/02/2020	11	11

### Particulars of Loan, Guarantees and Investments under Section 186

The company has not given any loan or guarantee or provided any security or made investments pursuant to section 186 of the Companies Act, 2013.

### Board's comment on the Auditors' Report

As the Auditors pointed out, the Board has initiated process and instructed the Software Developers to correct the shortfall of the existing ERP to enable to calculate the NPA provisions along with automatic adjustment of interest reversal as mandated by RBI prudential norms.

Regarding the re-pledge of gold ornaments, as the offer from the bank from which there are already credit facilities such as over draft and term loan has been accepted by the company. The same has been reduced considerably.

### Particulars of Contract or Arrangements with Related Parties

The details of material contracts or arrangement or transactions, being arm's length transactions entered into by the Company during the period under review are disclosed in AOC- 2 attached to and forming part of the financial statements.

### **Material Changes Affecting the Financial Position of the Company**

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year and the date of the report.

### **Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo**

Considering the nature of business of the company no comment is required on conservation of energy and technology absorption. There has not been any foreign exchange earnings or outgo during the financial year.

### **Details of Subsidiary, Joint Venture or Associates**

No other company had become a Subsidiary, Joint Venture or Associate of the company or ceased to be so during the year.

### **Risk Management Policy**

The company has taken measures to formulate a policy for the effective management of risks faced by the company.

### **Details of Directors and Key Managerial Personnel**

There is no change in the composition of Board of directors of the company. During the Financial Year 2019-20 following changes are occurred in the case of Key Managerial Persons of the company.

Sl No.	Name of the KMP	Designation	Type of Change	Date of Change
1.	CS Dhaneesh Madachimpara Ramakrishnan	Company Secretary	Resignation	09/05/2019

### **Details of significant & material orders passed by the regulators or courts or tribunal**

The regulators or courts or tribunals had not passed any significant or material orders during the year which impacted the going concern status of the company or the company's operations in future.

### **Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements**

The company has an effective and adequate financial control system in place. The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds and errors and the accuracy and completeness of accounting records.

### **Deposits**

The company has not accepted any deposits covered under the provisions of the Companies Act, 2013 and also there are no outstanding deposits as at the end of the financial year.

### **Audit Committee**

The company has constituted an Audit Committee, which comprises the following members:

1. Sri. P M Narayanan (Chairman)
2. Sri. K B Brahmadathan (Member)
3. Sri. P U Divakaran (Member)

During the Financial Year 2019-20, 4 (Four) meetings of the Audit Committee were held the details of attendance of the members are as given below:

<i>Sl No.</i>	<i>Date of Meeting</i>	<i>No. of Members attended the meeting</i>
1.	11/04/2019	3
2.	20/05/ 2019	3
3.	17/07/2019	3
4.	31/10/2019	3

During the year there were no cases of non acceptance of recommendations of the Audit Committee by the Board of Directors.

### **Nomination & Remuneration Committee**

The company has constituted a Nomination and Remuneration Committee, which comprises the following members:

1. Sri. K B Brahmadathan (Chairman)
2. Sri. P M Narayanan (Member)
3. Sri. P U Divakaran (Member)

During the financial year, 2 (Two) meeting of the committee were held on 16-05-2019 and 31-05-2019 which was attended by all the members.

The committee chiefly deals with matters relating to the size and composition of the Board, succession plans, evaluation of performance, Board diversity and remuneration framework and policies thereon. The committee is in the process of formulating detailed criteria relating to the determination of qualifications, positive attributes and independence of directors and recommendation of candidates to the Board as well as a policy relating to remuneration of directors, key managerial personnel and other employees.

### **Annual Evaluation**

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of governance. The main aspects of evaluation included the contribution to governance, participation in planning and fulfillment of obligations and responsibilities.

### **Declaration by Independent Director**

The Independent Directors have provided to the Board the declaration as required under section 149(7) of the Companies Act, 2013 regarding the criteria of independence laid down in section 149(6) of the Companies Act, 2013.

### **Disclosure u/s 197(14)**

The disclosure requirements under section 197(14) of the Companies Act, 2013 are not applicable to the company during the year of report.

### **Secretarial Audit Report**

The provisions of the Companies Act, 2013 and the rules framed there under relating secretarial audit report are not applicable to the company.



### **Corporate Social Responsibility (CSR) Policy**

The provisions of the Companies Act, 2013 and the rules made there under relating to Corporate Social Responsibility are not applicable to the company.

### **Vigil Mechanism**

The Committee has been constituted a Vigil Mechanism and the company has not received any complaints during the financial year.

### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Committee has been constituted and the company has not received any complaints during the financial year.

### **Disclosure u/s 143(12)**

The auditors of the company have not reported any fraud pursuant to section 143(12) of the Companies Act, 2013.

### **Directors Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Statutory Auditors**

The present statutory auditors of the company, M/s. T V Ganesa Iyer & Co., Chartered Accountants, Kochi, were appointed for a period of five years in the 20<sup>th</sup> Annual General Meeting held on 20.09.2015 and the period ends on 25<sup>th</sup> Annual General Meeting. They are eligible for reappointment for their second term of 5 years in the 25<sup>th</sup> Annual General Meeting.

### **Cost Auditors**

The company is not required to appoint a Cost Auditor pursuant to the provisions of the Companies Act, 2013.

**Acknowledgment**

We thank our valued shareholders, auditors, bankers, clients and Government authorities for their support. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

**For and on behalf of the Board of Directors**

**Predeep Mankore Sankaran**  
Managing Director (DIN: 00323900)

**Divakaran Pazhangaparambu Unnikrishnan**  
Chairman (DIN: 01608147)

Place: Anthikad

Date: 27.11.2020



f) Any Other.....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	<b>89386</b>	<b>0</b>	<b>89386</b>	<b>0.209</b>	<b>89386</b>	<b>0</b>	<b>89386</b>	<b>0.208</b>	<b>-0.001</b>
<b>(2). Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other.....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter(A) = (A)(1) + (A)(2)</b>	<b>0</b>	<b>89386</b>	<b>89386</b>	<b>0.22</b>	<b>89386</b>	<b>0</b>	<b>89386</b>	<b>0.21</b>	<b>-0.01</b>
<b>B. Public Shareholding</b>									
<b>(1). Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	11024483	0	11024483	25.82	10763207	0	10763207	24.99	-0.83
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	23820506	0	23820506	55.79	21363518	0	21363518	49.6	-6.19

c) Others (Peringottukara Namboothiri Yogakshema Sabha)	0	7765026	776502 6	18.19	0	10856930	108569 30	25.21	7.02
<b>Sub-total (B)(2):-</b>	<b>34844989</b>	<b>7765026</b>	<b>42610 015</b>	<b>99.8</b>	<b>32126 725</b>	<b>1085693 0</b>	<b>42983 655</b>	<b>99.8</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>34844989</b>	<b>776502 6</b>	<b>42610 015</b>	<b>99.8</b>	<b>32126 725</b>	<b>1085693 0</b>	<b>42983 655</b>	<b>99.8</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>34934375</b>	<b>776502 6</b>	<b>42699 401</b>	<b>100</b>	<b>32216 111</b>	<b>1085693 0</b>	<b>43073 041</b>	<b>100</b>	<b>0</b>

**ii). Shareholding of Promoters**

Sl. No.	Promoter's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1.	Mr. Divakaran Pazhangaparambu Unnikrishnan	10,960	0.026	0	10,960	0.025	0	-0.001
2.	Mr. Predeep Mankore Sankaran	21,500	0.050	0	21,500	0.050	0	0.00
3.	Mr. Narayanan Kanjiyil Thamarappilli	15,404	0.036	0	15,404	0.036	0	0.00
4.	Mr. Raman Namboothiri Punnappilly Raman Namboothiri	11,500	0.027	0	11,500	0.027	0	0.00
5.	Mr. Sandeep Paikkattu Neelakandan	11,345	0.027	0	11,345	0.026	0	-0.001
6.	Mr. Kesavan Mankora Subramanian	4,907	0.011	0	4,907	0.011	0	0.00
7.	Mr. Unnikrishnan Njanappilly Damodaran	10,000	0.023	0	10,000	0.023	0	0.00
8.	Mr. Thekkedath Amallur Vasudevan	2,650	0.006	0	2,650	0.006	0	0.00
9.	Mr. Narayanan Namboodiri Pazhangaparambu Mana Unnikrishnan Namboodiri	1,120	0.003	0	1,120	0.003	0	0.00
<b>TOTAL</b>		<b>89,386</b>	<b>0.209</b>	<b>0</b>	<b>89,386</b>	<b>0.208</b>	<b>0</b>	<b>-0.001</b>

**iii). Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	89,386	0.209	89,386	0.209
	Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0	89,386	0.209
	At the End of the year	89,386	0.208	89,386	0.208

\*There is no change in the shareholding of the promoters. But the percentage of their shareholding decreased due increase in the total shares of the company.

**iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year		Increase/ Decrease in Shareholding during the year specifying the date and reasons for increase/ decrease*
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	Peringottukara Namboodiri Yogakshema Sabha	7765026	18.19	10856930	25.21	3091904
2	Steve Stanly	446000	1.04	446000	1.04	No Change
3	Sheena Shajin	184237	0.43	193237	0.45	9000
4	Shajin.T.A.	169414	0.40	175914	0.41	6500
5	Sasindran.N	160000	0.37	160000	0.37	No Change
6	Shirley Stanley	146000	0.34	146000	0.34	No Change
7	Anitha Prince	139400	0.33	139400	0.32	No Change
8	Indira.V	125680	0.30	125680	0.29	No Change
9	Vinaya Raveendran	125000	0.29	125000	0.29	No Change
10	K.T.Madhavan	120000	0.28	120000	0.28	No Change

**\*Reasons for increase/decrease**

- a.) M/s. Peringottukara Namboothiri Yogakshema Sabha – Share transfers during the financial year 2020-21.
- b.) Mrs. Sheena Shajin – 9000 equity Shares allotted the financial year 2020-21.
- c.) Mr. Shajin T A - 6500 equity Shares allotted the financial year 2020-21.

**v). Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year		Increase/ decrease in Shareholding during the year specifying the date and reasons for increase/ decrease
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1.	Mr. Divakaran Pazhangaparambu Unnikrishnan	10,960	0.026	10,960	0.025	No change
2.	Mr. Predeep Mankore Sankaran	21,500	0.050	21,500	0.050	No change
3.	Mr. Narayanan Kanjiyil Thamarappilli	15,404	0.036	15,404	0.036	No change
4.	Mr. Raman Namboothiri Punnappilly Raman Namboothiri	11,500	0.027	11,500	0.027	No change
5.	Mr. Sandeep Paikkattu Neelakandan	11,345	0.027	11,345	0.026	No change
6.	Mr. Kesavan Mankora Subramanian	4,907	0.011	4,907	0.011	No change
7.	Mr. Unnikrishnan Njanappilly Damodaran	10,000	0.023	10,000	0.023	No change
8.	Mr. Vasudevan Thekkedath Amallur Vasudevan	2,650	0.006	2,650	0.006	No change

9.	Mr. Narayanan Namboodiri Pazhangaparambu Mana Unnikrishnan Namboodiri	1,120	0.003	1,120	0.003	No change
10.	Mr. Kodanat Brahmadathan Brahmadathan	46000	0.108	46000	0.107	No change
11.	Mr. Narayanan Polpakkara Mana	0	0	0	0	No change
12.	Mr. Akhil Satheesan	3360	0.008	3360	0.008	No change
13.	Mr. Dhaneesh Madachimpara Ramakrishnan	3000	0.007	500	0.001	-2500

\*\*Change in the holding of Mr. Dhaneesh Madachimpara Ramakrishnan, Company Secretary of the company due to transfer of 2500 equity shares

## V. INDEBTEDNESS:

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	41,46,12,119.75	61,83,70,000.00	0	1,03,29,82,120.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	2,11,85,540.30	0	2,11,85,540.30
<b>Total (I + ii + iii)</b>	<b>41,46,12,119.75</b>	<b>63,95,55,540.30</b>	<b>0</b>	<b>1,054,167,660.05</b>
Change in indebtedness during the financial year				
Addition	0	16,89,32,166.00	0	16,89,32,166.00
Reduction	3,37,29,210.75	0	0	(3,37,29,210.75)
<b>Net Change</b>	<b>(3,37,29,210.75)</b>	<b>16,89,32,166.00</b>	<b>0</b>	<b>13,52,02,955.00</b>
Indebtedness at the end of the financial year				
i) Principal Amount	38,08,82,909.00	77,36,37,000.00	0	1,15,45,19,909.00
ii) Interest due but not paid	0	0	0	0.00
iii) Interest accrued but not due	0	3,48,50,706.30	0	3,48,50,706.30
<b>Total (I + ii + iii)</b>	<b>38,08,82,909.00</b>	<b>80,84,87,706.3</b>	<b>0</b>	<b>1,18,93,70,615.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Sri. M S Pradeep	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,89,105.00	4,89,105.00
	(b) value of perquisites u/s. 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-

4.	Commission		
	- as % of profit	-	-
	- Others, specify...	-	-
5.	Others, please specify Allowance	156,000.00	156,000.00
	Sitting fee	20,000.00	20,000.00
	<b>Total (A)</b>	<b>6,65,105.00</b>	<b>6,65,105.00</b>

*B. Remuneration to other directors:*

Name of Directors	Particulars of Remuneration				
	Fee for attending board/ committee meetings	Commission	Remuneration	Others, please specify- Allowance	Total
<b>(1) Independent Directors</b>					
Sri. P M Narayanan	30000.00	0.00	0.00	55000.00	85000.00
Sri. K B Brahmadathan	30000.00	0.00	0.00	55000.00	85000.00
Total (1)	<b>60000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>110000.00</b>	<b>170000.00</b>
<b>(2) Executive &amp; Non-Executive Directors</b>					
Sri. K T Narayanan	20000.00	0.00	462406.00	36000.00	518406.00
Sri. P N Sandeep	20000.00	0.00	438357.00	36000.00	494357.00
Sri. M S Kesavan	20000.00	0.00	379262.00	36000.00	435262.00
Sri. P U Divakaran	20000.00	0.00	0.00	0.00	20000.00
Sri. P R Raman Namboothiri	20000.00	0.00	0.00	1000.00	21000.00
Sri. N D Unnikrishnan	18000.00	0.00	0.00	0.00	18000.00
Sri. T V Vasudevan	20000.00	0.00	0.00	0.00	20000.00
Sri. P K Narayanan Namboodiri	20000.00	0.00	0.00	0.00	20000.00
<b>Total (2)</b>	<b>158000.00</b>	<b>0.00</b>	<b>12,80,025.00</b>	<b>109000.00</b>	<b>1547025.00</b>
<b>Total (B) = (1) +(2)</b>	<b>218000.00</b>	<b>0.00</b>	<b>12,80,025.00</b>	<b>219000.00</b>	<b>1717025.00</b>
Total Managerial Remuneration (A) + (B)	<b>23,82,130.00</b>				
Overall Ceiling as per the Act	<b>8400000.00</b>				

*C. Remuneration to key managerial personnel other than MD/Manager/WTD:*

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	58716.00	625493.00	6,84,209.00
	(b) value of perquisites u/s. 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-



3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	Nil	<b>58,716.00</b>	<b>6,25,493.00</b>	<b>6,84,209.00</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any(give details)
<b>A.COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**For and on behalf of the Board of Directors**

**Predeep Mankore Sankaran**  
Managing Director (DIN: 00323900)

**Divakaran Pazhangaparambu Unnikrishnan**  
Chairman (DIN: 01608147)

Place: Anthikkad  
Date: 27/11/2020



**T. V. GANESA IYER & CO.**

CHARTERED ACCOUNTANTS  
Branch : CF2, Sreeparna Regency,  
M.R. Vasu Road, Ayyanthole,  
Thrissur- 680003, Ph : 9947378540  
Email : ca.rekha2016@gmail.com

Partners : K K BABU, FCA, DISA  
P V VASUDEVAN, FCA  
REKHA RAMACHANDRAN, FCA

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**Independent Auditors' Report**

**To the Members of PNY Sabha Finance Ltd**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of PNY Sabha Finance Ltd (“ the company”) which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2020, and its loss and its cash flows for the year ended on that date.

**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 ‘Auditors’ 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 there under, 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.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

## **Emphasis of Matter**

1. During the course of audit, it has come to our notice that the gold offered as security by the borrowers towards gold loan has been repledged by the company as security for the purpose of term loan from South Indian Bank mentioned in Note 9.
2. As more specifically explained in Note 2 to the financial statements, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, loan assets, investments and other receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.  
Our opinion is not modified in respect of this matter.

## **Other Matters**

Further to the continuous spreading of COVID -19 across India, has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the substantial part of audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the

data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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.

### **Responsibilities 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 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; 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.

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.

### **Auditors' 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 auditors' 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 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 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 auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies(Accounting Standards)Amendment Rules,2016.
  - e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditors' 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 litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of  
**TV Ganesa Iyer & Co**  
Chartered Accountants  
Firm's registration number:000856S

**Babu K.K**  
Partner  
Membership number: 027490

Place: Kochi  
Date: 27.11.2020

UDIN: 20027490AAAACX7575





**T. V. GANESA IYER & CO.**

CHARTERED ACCOUNTANTS  
Branch : CF2, Sreeparna Regency,  
M.R. Vasu Road, Ayyanthole,  
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Email : ca.rekha2016@gmail.com

Partners : K K BABU, FCA, DISA  
P V VASUDEVAN, FCA  
REKHA RAMACHANDRAN, FCA

**Annexure A” to the Independent Auditors’ Report**

The Annexure referred to in our report to the members of PNY Sabha Finance Ltd. for the year Ended on 31.03.2020.

We report that:

- (i)
  - a. The company is maintaining fixed asset register showing full particulars including quantitative details and situation of fixed assets.
  - b. According to the information given to us, the fixed Assets have been physically verified by the management in a phased manner over a period of 2 years. In our opinion this periodicity of physical verification is reasonable having regard to size of company and nature of asset.
  - c. According to the information’s and explanations given to us, the title deeds of the immovable properties included in Property, Plant & Equipment are held in the name of the Company..
- (ii) The company is an NBFC and hence it does not hold any physical inventory. Hence paragraph 3(ii) of the order is not applicable to company.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in register maintained under section 189 of Companies Act 2013.
- (iv) In our opinion and according to the information’s and explanations given to us company has complied with the provision of section 185 and section 186 of the act in respect of grant of loans, making investments and providing guarantees and securities as applicable.
- (v) According to the information and explanation given to us, the company has not accepted any deposit from the public to which the directives issued by the Reserve Bank of India and provisions of section 73 to section 76 or any other relevant provision of the act and rules framed there under apply.
- (vi) The central government has not prescribed maintenance of cost records under section 148(1) of the act for any of the services rendered by the company. Accordingly paragraph 3(vi) of the order is not applicable.

(vii)

- a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including PF, income tax, sale tax, vat, service tax and other material statutory dues have been regularly deposited during the year by the company with appropriate authorities. According to the information and explanation given to us no undisputed amount payable in respect of PF, income tax, VAT, GST, service tax and other statutory dues are in arrears as at 31<sup>st</sup> March 2020 for a period of more than 6 months from date they became payable.
- b) According to the information and explanation given to us there are no material dues of income tax or sales tax or service tax which has not been deposited on account of any dispute.

(viii) According to the information's and explanations given to us and based on examination of records, the company has not made any default in repayment of loans or borrowings to financial institution, banks, government or debenture holders except in the following cases of overdue debentures.

Particulars	Amount of default as at 31.03.2020	Period of default	Remarks
Debenture	9157000	March, 2020	Paid within June 2020
Debenture	800000	February, 2020	Paid within May 2020
Debenture	288000	January, 2020	Paid within June 2020
Debenture	445000	November, 2019	95000 paid with June 2020. Balance not paid.
Debenture	15000	November, 2019	Not paid till date
Debenture	11000	September, 2019	Paid within May 2020
Debenture	10000	August, 2019	Not paid till date

- (ix) The company did not raise any money by way of IPO or further public offer and term loans during the year. Accordingly paragraph 3(ix) is not applicable.
- (x) According to the information's and explanation given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information's and explanation given to us and based on examination of the records, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Accordingly paragraph 3(xii) is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with related party are in compliance with section 177 and 188 of the act and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly paragraph 3(xiv) is not applicable.
- (xv) According to the information and explanation given to us and based on our examination of records of the company, the company has not entered into any non-cash transaction with the directors or persons connected with him. Accordingly paragraph 3(xv) is not applicable.
- (xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act and it has obtained registration dated 15<sup>th</sup> December 2011.

For and on behalf of  
**TV Ganesa Iyer & Co**  
Chartered Accountants  
Firm's registration number:000856S

**Babu K.K**  
Partner  
Membership number: 027490

Place: Kochi  
Date: 27.11.2020

UDIN: 20027490AAAACX7575



**T. V. GANESA IYER & CO.**

CHARTERED ACCOUNTANTS  
Branch : CF2, Sreeparna Regency,  
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Partners : K K BABU, FCA, DISA  
P V VASUDEVAN, FCA  
REKHA RAMACHANDRAN, FCA

**Annexure B to the Independent Auditors' Report of even date on the Financial Statements of  
PNY Sabha Finance Limited**

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

We have audited the internal financial controls over financial reporting of PNY Sabha Finance Limited as of March 31, 2020 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 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 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 auditors' 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 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.

## **Qualified Opinion**

According to information's and explanations given to us the following material weakness has been identified as at 31<sup>st</sup> March 2020:

The companies ERP is not capable of identifying and accordingly reverse interest income in accordance with prudential norms prescribed by RBI. Hence there is a material risk in identifying and classification of NPA.

The company's ERP is not capable of identifying NPA and accordingly calculating the NPA provisions along with automatic adjustment of interest reversal as mandated by RBI prudential norms and it requires manual intervention. Hence there is a material risk in identification and classification of NPA.

A "Material Weakness" is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except to the possible effect of material weakness described above in which case we have extended our audit procedures to cover , the company has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 2020, based on internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the guidance note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India

For and on behalf of

**T.V Ganesa Iyer & Co**

Chartered Accountants

Firm's registration number:000856S

**Babu K.K**

Partner

Membership number: 027490

Place: Kochi

Date: 27.11.2020

UDIN: 20027490AAAACX7575

<b>PNY SABHA FINANCE LTD</b>			
<b>BALANCE SHEET AS AT 31-MARCH-2020</b>			
Particulars	Notes	31-March-2020	31-March-2019
		₹	₹
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	43,07,30,410.00	42,69,94,010.00
Share Application money		2,01,000.00	-
Reserves and surplus	5	(19,74,32,428.00)	(14,71,72,023.34)
		<b>23,34,98,982.00</b>	<b>27,98,21,986.66</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	1,05,27,02,000.00	94,95,35,000.00
Other long-term borrowings	7	3,51,00,706.30	2,14,35,540.30
Long-term provisions	8	54,77,822.00	50,70,512.00
		<b>1,09,32,80,528.30</b>	<b>97,60,41,052.30</b>
<b>Current liabilities</b>			
Short-term borrowings	9	10,18,17,908.97	8,34,47,119.75
Other current liabilities	10	29,80,65,309.79	37,01,59,776.13
Short-term provisions	11	13,40,06,140.72	12,64,87,108.38
		<b>53,38,89,359.48</b>	<b>58,00,94,004.26</b>
<b>TOTAL</b>		<b>1,86,06,68,869.78</b>	<b>1,83,59,57,043.22</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment			
(i) Tangible assets	12	3,50,69,438.87	3,25,71,934.40
(ii) Intangible assets	13	8,46,545.66	6,22,431.66
Deferred tax assets (net)	14	7,57,71,149.79	5,43,29,398.10
Long-term loans and advances	15	12,82,80,692.00	21,26,13,742.00
Investments	16	2,05,56,224.00	3,61,78,112.00
		<b>26,05,24,050.32</b>	<b>33,63,15,618.16</b>
<b>Current assets</b>			
Cash and bank balances	17	1,46,90,551.44	4,65,09,736.75
Short-term loans and advances	15	1,44,99,96,456.54	1,35,06,68,678.04
Other current assets	18	13,54,57,811.48	10,24,63,010.27
		<b>1,60,01,44,819.46</b>	<b>1,49,96,41,425.06</b>
<b>TOTAL</b>		<b>1,86,06,68,869.78</b>	<b>1,83,59,57,043.22</b>

Company Overview

1

Summary of significant accounting policies

3.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the board of directors

**For T.V.GANESA IYER & CO**

PNY SABHA FINANCE LIMITED

Firm registration number: 000856S

Chartered Accountants

**BABU K.K, FCA**

M.S.Predeep

P.U.Divakaran

Partner

[Managing Director]

[Chairman]

Membership no: 027490

(DIN: 00323900)

(DIN:01608147)

Nayana Gopal

P.M.Narayanan

Akhil Satheesan

[Company Secretary]

[Independent Director]

[Chief Financial Officer]

(DIN:06993910)

Place: Thrissur

Date: 27.11.2020



<b>PNY SABHA FINANCE LTD</b>			
<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MARCH-2020</b>			
PARTICULARS	Notes	31-March-2020	31-March-2019
		₹	₹
<b>Income</b>			
Revenue from operations	19	23,13,55,378.80	25,95,59,826.75
Other income	20	11,38,308.96	15,94,638.19
<b>Total revenue (I)</b>		<b>23,24,93,687.76</b>	<b>26,11,54,464.94</b>
<b>Expenses</b>			
Finance costs	21	14,69,85,816.64	12,80,01,777.60
Employee benefits expense	22	11,09,78,299.32	9,98,90,970.07
Other expenses	23	3,12,75,109.81	4,65,02,615.66
Provision and writeoff	24	78,67,823.34	1,27,92,045.64
Depreciation and amortization expense	25	69,91,139.00	77,56,952.21
<b>Total (II)</b>		<b>30,40,98,188.11</b>	<b>29,49,44,361.18</b>
<b>Profit/(loss) before tax</b>		<b>(7,16,04,500.35)</b>	<b>(3,37,89,896.24)</b>
<b>Tax expenses</b>			
Current tax		97,656.00	38,064.00
Deferred tax		(2,14,41,751.69)	(1,59,43,457.96)
<b>Total tax expense</b>		<b>(2,13,44,095.69)</b>	<b>(1,59,05,393.96)</b>
<b>Profit/(loss) for the year from continuing operations (A)</b>		<b>(5,02,60,404.66)</b>	<b>(1,78,84,502.28)</b>
<b>Earnings per equity share [nominal value of share Rs.10]</b>			
Basic			
Computed on the basis of profit from continuing operations		(1.17)	(0.42)
Computed on the basis of total profit for the year		(1.17)	(0.42)
Diluted			
Computed on the basis of profit from continuing operations		NIL	NIL
Computed on the basis of total profit for the year		NIL	NIL

Company Overview

1

Summary of significant accounting policies

3.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the board of directors

**For T.V.GANESA IYER & CO**

**PNY SABHA FINANCE LIMITED**

Firm registration number: 000856S

Chartered Accountants

**BABU K.K, FCA**

Partner

Membership no: 027490

M.S.Predeep

[Managing Director]

(DIN: 00323900)

P.U.Divakaran

[Chairman]

(DIN:01608147)

Nayana Gopal

[Company Secretary]

P.M.Narayanan

[Independent Director]

(DIN:06993910)

Akhil Satheesan

[Chief Financial Officer]

Place: Thrissur

Date: 27.11.2020



**PNY SABHA FINANCE LTD**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-March-2020**

PARTICULARS	31-March-2020 ₹	31-March-2019 ₹
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	(7,16,04,500.35)	(3,37,89,896.24)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	69,91,139.00	77,56,952.21
Profit/Loss on sale of fixed assets	-	(46,610.00)
Provision for non performing assets	74,45,030.50	1,19,55,861.00
Provision for standard assets	74,001.84	2,82,409.64
Provision for gratuity	-	-
Provision for Leave Encashment	4,07,310.00	58,455.00
<b>Operating profit before working capital changes</b>	<b>(5,66,87,019.01)</b>	<b>(1,37,82,828.39)</b>
Movements in working capital :		
Increase / (decrease) in other current liabilities	(7,20,94,466.34)	(3,62,83,393.84)
Decrease / (increase) in long-term loans and advances	8,40,62,063.54	13,43,35,703.01
Decrease / (increase) in short-term loans and advances	(9,93,27,778.50)	(20,49,05,306.10)
Decrease / (increase) in other current assets	(3,30,92,457.21)	(2,08,71,541.98)
Cash generated from / (used in) operations	<b>(12,04,52,638.51)</b>	<b>(12,77,24,538.91)</b>
Direct taxes paid (net of refunds)		
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(17,71,39,657.52)</b>	<b>(14,15,07,367.30)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(97,12,757.47)	(55,92,388.00)
Proceeds from sale of fixed assets	-	46,610.00
Investment in any other securities	1,56,21,888.00	2,46,57,767.00
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>59,09,130.53</b>	<b>1,91,11,989.00</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital	39,37,400.00	2,35,41,290.00
Long-term borrowings (net)	10,31,67,000.00	8,35,39,000.00
Other long term liabilities	1,36,65,166.00	96,40,198.62
Short-term borrowings (net)	1,83,70,789.22	1,44,30,729.52
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>13,91,40,355.22</b>	<b>13,11,51,218.14</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(3,20,90,171.77)</b>	<b>87,55,839.84</b>
Cash and cash equivalents at the beginning of the year	4,23,99,324.76	3,36,43,484.92
<b>Cash and cash equivalents at the end of the year</b>	<b>1,03,09,152.99</b>	<b>4,23,99,324.76</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	44,15,035.00	1,33,90,324.00
With banks- on current account	58,94,117.99	2,90,09,000.76
<b>Total cash and cash equivalents (note 17)</b>	<b>1,03,09,152.99</b>	<b>4,23,99,324.76</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached  
**For T.V.GANESA IYER & CO**  
Firm registration number: 000856S  
Chartered Accountants

For and on behalf of the board of directors  
PNY SABHA FINANCE LIMITED

**BABU K.K, FCA**  
Partner  
Membership no: 027490

M.S.Predeep  
[Managing Director]  
(DIN: 00323900)

P.U.Divakaran  
[Chairman]  
(DIN:01608147)

Nayana Gopal  
[Company Secretary]

P.M.Narayanan  
[Independent Director]  
(DIN:06993910)

Akhil Satheesan  
[Chief Financial Officer]

Place: Thrissur  
Date: 27.11.2020

## **PNY SABHA FINANCE LTD**

### **Notes to financial statements for the year ended 31-March 2020**

#### **Note: 1 ) Company Overview**

PNY SABHA FINANCE LTD formerly known as Perigottukara Namboothiri Yoghakshema Sabha Credit & Investments Limited was incorporated on 06th October 1995 (originally incorporated under the name M/S Shine Sun Finance Limited) is a Non Banking Financial Company within the meaning of Reserve Bank of India Act, 1934.

The paid up capital of the company is Rs. 43,07,30,410 fully paid up (divided into 4,30,73,041) Equity shares of Rs. 10/- each).

#### **Note: 2**

The Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, loan assets, investments and other receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

#### **Note: 3.1) Significant Accounting Policies**

##### **a. AS 1: Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises mandatory accounting standard prescribed by the Companies (AccountingStandards) Rules and guidelines issued by the Reserve Bank of India (RBI).

All assets and liabilities have been classified as current or non current as per the operating cycle criteria set out in the Schedule III to the Companies Act 2013.

Previous year figures have been reclassified in accordance with current year requirements.

##### **Revenue recognition and expenses accounting**

Income is recognised on accrual basis on performing assets and on realisation basis in respect of non performing assets as per the prudential norms prescribed by Reserve Bank of India. Expenditure is accounted for on accrual basis, unless otherwise stated.

##### **b. AS 3: Cash Flow Statement**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

##### **c. Use of estimates**

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates are provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

d. **Accounting for Depreciation**

Depreciation is provided on the basis of useful life of the assets as per the provisions of Companies Act,2013.

<b>Nature of Asset</b>		<b>Useful life</b>
Plant & Equipment		5years
Furniture & Fixtures		10years
Vehicle		8years
Office Equipment	Computer	3years
Office Equipment-	Others	5years

e. **AS 9: Revenue Recognition**

Revenue is primarily in the nature of Interest received and receivable. Revenue is recognised in accordance with the guidance note on accrual basis of accounting issued by ICAI. Accordingly, where the income could not be determined with certain amount of exactitude or the realisation of which is doubtful, the same is not accrued. Accordingly income is not accrued on Non-performing Credit exposures . Income on such credit exposures is accounted on realisation basis. The company has followed the prudential norms prescribed by the Reserve Bank of India in respect of Income Recognition and provision for Bad and doubtful debts.

Rebate has been provided to some customers for the repayment of non performing loans and the interest income in respect of such loans which is considered in previous year is written off to the extent of Rs. 2,92,628.

f. **AS 10: Accounting For Property, Plant and Equipment**

Fixed assets are stated at cost, less accumulated depreciation and impairments, if any.  
Direct costs are capitalized until fixed assets are ready for use.

g. **AS 15: Employee Benefits**

g.1 **Gratuity**

The company has a defined benefit gratuity plan and the scheme is funded with Life insurance corporation of India. The company pay premium to LIC as intimated by them from time to time based on the actuarial valuation done by them as per projected unit credit method.

Details of Acturial valuation as on 31.03.2020:-

Present Value of obligations at the end of the year	1,84,40,637.00
Fair Value of Plan Assets at the end of the year	2,09,88,316.57
Net Asset	25,47,679.57
Current Service Cost	21,86,896.00
Interest Cost	11,97,947.00
Expected Return on Plan Asset	(13,47,979.60)
Net Acturial Gain	(5,53,251.00)
Total	<b>14,83,612.40</b>
Add : Charges	1,78,150.00
Expense recognised in statement of profit and loss	<b>16,61,762.40</b>

g.2 **Provident Fund**

Eligible employees of the company receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan and the company's contribution is charged to the statement of profit and loss.

h **Names of Related Parties**

**Associates / Enterprises owned or significantly influenced by key management personnel or their relatives**

Peringottukara Namboothiri Yogakshema Sabha  
PNYS Chit Funds Kerala Private Limited  
PNY Securities India Pvt Ltd

**Key Management Personnel**

K.T.Narayanan  
M S Kesavan  
P N Sandeep  
P U Divakaran  
N D Unnikrishan  
M.S.Predeep  
Brahmadhathan K B  
P M Narayanan  
P R Raman Namboothiri  
Shima Libish  
Dhaneesh.M.R  
T D Vasudevan  
PKN Namboothiri  
Akhil Satheesan

**Relatives of key management personnel**

Sujatha M S  
Radhadevi S  
Maheswaran Bhattathiripad

\*Related parties have been identified on the basis of declaration received by the Company from its directors and other records available. The same has been relied upon by the auditors.

**PNY SABHA FINANCE LTD**

**AS 18: Related Party Transactions (Disclosure of transactions entered with related parties are shown under the separate specific note)**

Particulars	Associates / Enterprises owned		Key Management Personnel		Relatives of key management personnel		Total	
	31/March/2020	31/March/2019	31/March/2020	31/March/2019	31/March/2020	31/March/2019	31/March/2020	31/March/2019
<b>Debentures issued during the period (Note 5a)</b>	-	-	-	-	5,00,000.00	-	5,00,000.00	-
<b>Debentures redeemed during the period (Note 5a)</b>	-	-	-	-	5,00,000.00	5,00,000.00	5,00,000.00	5,00,000.00
<b>Subordinate Debt issued (Note 5a)</b>	5,54,000.00	-	-	-	-	-	5,54,000.00	-
<b>Investment in Kuri</b>								
Peringottukara Namboothiri Yogakshema Sabha	53,78,539.00	1,16,85,594.00	-	-	-	-	53,78,539.00	1,16,85,594.00
<b>Payment towards Kuri Auction Amount</b>								
Peringottukara Namboothiri Yogakshema Sabha	67,42,716.00	5,21,61,862.00	-	-	-	-	67,42,716.00	5,21,61,862.00
<b>Receivables</b>								
Peringottukara Namboothiri Yogakshema Sabha	8,24,230.70	-	-	-	-	-	8,24,230.70	-
PNYS Securities India Pvt.Ltd.	41,960.42	-	-	-	-	-	41,960.42	-
<b>Loan Repayment Received</b>								
Peringottukara Namboothiri Yogakshema Sabha	-	-	-	-	-	-	-	-
<b>Remuneration to Directors</b>								
M.S.Predeep	-	-	4,89,105.00	4,69,332.00	-	-	4,89,105.00	4,69,332.00
K.T.Narayanan	-	-	4,62,406.00	4,44,523.00	-	-	4,62,406.00	4,44,523.00
P.N.Sandeep	-	-	4,38,357.00	4,19,650.00	-	-	4,38,357.00	4,19,650.00
M.S.Kesavan	-	-	3,79,262.00	-	-	-	3,79,262.00	-
<b>Sitting fee</b>								
M.S.Predeep	-	-	20,000.00	18,000.00	-	-	20,000.00	18,000.00
K.T.Narayanan	-	-	20,000.00	16,000.00	-	-	20,000.00	16,000.00
P.N.Sandeep	-	-	20,000.00	18,000.00	-	-	20,000.00	18,000.00
M.S.Kesavan	-	-	20,000.00	18,000.00	-	-	20,000.00	18,000.00
Brahmadathan.K.B	-	-	30,000.00	19,000.00	-	-	30,000.00	19,000.00
P.M.Narayanan	-	-	30,000.00	19,000.00	-	-	30,000.00	19,000.00
P.R.Raman Namboothiri	-	-	20,000.00	16,000.00	-	-	20,000.00	16,000.00
P.U Divakaran	-	-	20,000.00	18,000.00	-	-	20,000.00	18,000.00
N. D Unnikrishnan	-	-	18,000.00	16,000.00	-	-	18,000.00	16,000.00
T D Vasudevan	-	-	20,000.00	18,000.00	-	-	20,000.00	18,000.00
PKN Namboothiri	-	-	20,000.00	18,000.00	-	-	20,000.00	18,000.00
<b>Remuneration to KMP</b>								
Smitha Libish CFO	-	-	-	2,49,300.00	-	-	-	2,49,300.00
Akhil satheesan CFO	-	-	6,25,493.00	4,13,124.00	-	-	6,25,493.00	4,13,124.00
M.R. Dhaneesh C S	-	-	58,716.00	3,55,845.00	-	-	58,716.00	3,55,845.00
<b>Allowance to Directors</b>								
M.S.Predeep	-	-	1,56,000.00	1,56,000.00	-	-	1,56,000.00	1,56,000.00
K.T.Narayanan	-	-	36,000.00	36,000.00	-	-	36,000.00	36,000.00
P.N.Sandeep	-	-	36,000.00	36,000.00	-	-	36,000.00	36,000.00
M.S.Kesavan	-	-	36,000.00	36,000.00	-	-	36,000.00	36,000.00
Brahmadathan.K.B	-	-	55,000.00	29,000.00	-	-	55,000.00	29,000.00
P.M.Narayanan	-	-	55,000.00	26,000.00	-	-	55,000.00	26,000.00
P.R.Raman Namboothiri	-	-	1,000.00	8,000.00	-	-	1,000.00	8,000.00
<b>Rent Paid</b>								
Peringottukara Namboothiri Yogakshema Sabha	7,08,000.00	7,08,000.00	-	-	-	-	7,08,000.00	7,08,000.00
<b>Interest Paid on Debentures</b>								
Peringottukara Namboothiri Yogakshema Sabha	-	757.00	-	-	-	-	-	757.00
Sujatha.M	-	-	-	-	-	4,960.00	-	4,960.00
Radhadevi S	-	-	-	-	52,625.00	53,760.00	52,625.00	53,760.00
Maheswaran Bhattathiripad	-	-	-	-	99,960.00	-	99,960.00	-
<b>Kuri Income Received</b>								
Peringottukara Namboothiri Yogakshema Sabha	3,13,000.00	1,22,000.00	-	-	-	-	3,13,000.00	1,22,000.00
<b>Commission Received</b>								
PNYS Chit Funds Kerala Pvt.Ltd.	9,73,824.00	9,25,767.00	-	-	-	-	9,73,824.00	9,25,767.00
PNYS Securities India Pvt.Ltd.	61,612.00	60,419.00	-	-	-	-	61,612.00	60,419.00
	<b>1,55,97,882.12</b>	<b>6,56,64,399.00</b>	<b>30,66,339.00</b>	<b>28,72,774.00</b>	<b>11,52,585.00</b>	<b>5,58,720.00</b>	<b>1,98,16,806.12</b>	<b>6,90,95,893.00</b>

i **AS 20: Earnings Per Share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period

**Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	<b>31-Mar-20</b> ₹	<b>31-Mar-19</b> ₹
<b>Total operations for the year</b>		
Profit/(loss) after tax	(5,02,60,404.66)	(1,78,84,502.28)
<b>Net profit/(loss) for calculation of basic EPS</b>	<b>(5,02,60,404.66)</b>	<b>(1,78,84,502.28)</b>
<b>Net profit/(loss) for calculation of diluted EPS</b>	<b>(5,02,60,404.66)</b>	<b>(1,78,84,502.28)</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of equity shares in calculating basic EPS	4,30,73,041.00	4,26,99,401.00
<b>Effect of dilution:</b>	NIL	NIL
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>4,30,73,041.00</b>	<b>4,26,99,401.00</b>
<b>EPS</b>	<b>(1.17)</b>	<b>(0.42)</b>

j **AS 22: Accounting For Taxes On Income**

This comprises provision for current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income & taxable income for the period). Deferred tax is recognised subject to consideration of prudence in respect of items of income and expenses those arise at one point of time and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be reversed.

k **AS 26: Intangible Assets**

Intangible assets represent computer software whose cost is amortised over its expected useful life of 3 years.

**l. AS 28: Impairment of Assets**

Company is reviewing the assets at each Balance Sheet date to determine whether there is any indication that the assets may be impaired. If any indication exist then the recoverable amount of the assets is estimated and impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount.

**m Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resource will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to its present value and are determined based on management 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 management estimates.

**Note: 3.2) Debenture Reconciliation**

The Company has issued debentures which are secured by a charge in favour of the Trustees over such of the movable/immovable properties as the case may be of the Company.

Particulars	Nos	₹
Under XL th Series	10,801.00	1,08,01,000.00
Under XLI th Series	20,575.00	2,05,75,000.00
Under XLII th Series	19,391.00	1,93,91,000.00
Under XLIII th Series	38,862.00	3,88,62,000.00
Under XLIV th Series	7,768.00	77,68,000.00
Under XLV th Series	27,962.00	2,79,62,000.00
Under XLVI th Series	9,662.00	96,62,000.00
Under XLVII th Series	10,822.00	1,08,22,000.00
Under XLVIII th Series	4,501.00	45,01,000.00
Under XLIX th Series	2,783.00	27,83,000.00
Under Lth Series	24,500.00	2,45,00,000.00
Under LI th Series	49,700.00	4,97,00,000.00
Under LII th Series	10,835.00	1,08,35,000.00
Under LIII	49,000.00	4,90,00,000.00
Under LIV th Series	23,885.00	2,38,85,000.00
Under LV th Series	50,000.00	5,00,00,000.00
Under LVI th Series	29,265.00	2,92,65,000.00
Under LVII th Series	39,350.00	3,93,50,000.00
<b>Total debenture as per Balance sheet</b>	<b>4,29,662.00</b>	<b>42,96,62,000.00</b>

**Note: 3.3) Additional disclosures as required by circular no DNBS.CC.PD.No.265/03.10.01/2011-2012**

Total Gold loan portfolio	1,01,56,79,001.00	87,94,45,315.00
Total Assets	1,86,06,68,869.78	1,83,59,57,043.22
Gold loan portfolio as a %age of total assets	54.59%	47.90%

**Note:3.4) Disclosure pursuant to reserve bank of india notification DNBS.CC>PD.No.356/03.10.01/2013-14 dated September 16,2013 purtaining to gold loans.**

No. of Loan accounts	Outstanding Loan amounts	Sale Consideration of the Gold
-	-	-

**Note. 3.5) Disclosure under MSMED Act 2006: There is no amount payable to Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further company has not paid any interest to any interest to any micro, small and medium enterprises during the year. The list of micro and small enterprises was determined based on information available with company**

**Note: 3.6) Expenditure in foreign currency** **NIL** **NIL**

**Note: 3.7) Value of import on CIF Basis** **NIL** **NIL**

As per our report of even date

For and on behalf of the board of directors of  
PNY Sabha Finance Limited

**For T.V.GANESA IYER & CO**  
Firm registration number: 000856S  
Chartered Accountants

**BABU K.K, FCA**  
Partner  
Membership no: 027490

M.S.Predeep  
[Managing Director]  
(DIN: 00323900)

P.U.Divakaran  
[Chairman]  
(DIN:01608147)

Nayana Gopal  
[Company Secretary]

P.M.Narayanan  
[Independent Director]  
(DIN:06993910)

Akhil Satheesan  
[Chief Financial Officer]

Place: Thrissur  
Date: 27.11.2020



n (i)

## Asset classification and provision for Non performing Assets

(As per RBI Prudential Norms)

(Amount in ₹)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	2020	2019	2020	2019	2020	2019
<b>Gold Loan</b>						
Standard Asset	1,01,56,79,001.00	87,94,45,315.00	25,39,197.50	21,98,613.29	1,01,31,39,803.50	87,72,46,701.71
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
<b>Total</b>	<b>1,01,56,79,001.00</b>	<b>87,94,45,315.00</b>	<b>25,39,197.50</b>	<b>21,98,613.29</b>	<b>1,01,31,39,803.50</b>	<b>87,72,46,701.71</b>
<b>Particulars</b>	<b>Gross Loan Outstanding</b>		<b>Provision For Assets</b>		<b>Net Loan Outstanding</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Pronote Loan</b>						
Standard Asset	3,03,26,255.00	5,06,25,969.00	75,815.64	1,26,564.92	3,02,50,439.36	5,04,99,404.08
Sub Standard Asset	2,27,99,411.00	3,35,09,621.00	22,79,941.10	33,50,962.10	2,05,19,469.90	3,01,58,658.90
Doubtful Asset	26,55,36,865.00	28,55,43,218.00	10,05,96,801.50	9,79,82,442.00	16,49,40,063.50	18,75,60,776.00
Loss Asset	-	-	-	-	-	-
<b>Total</b>	<b>31,86,62,531.00</b>	<b>36,96,78,808.00</b>	<b>10,29,52,558.24</b>	<b>10,14,59,969.02</b>	<b>21,57,09,972.76</b>	<b>26,82,18,838.98</b>
<b>Particulars</b>	<b>Gross Loan Outstanding</b>		<b>Provision For Assets</b>		<b>Net Loan Outstanding</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Other Loans</b>						
Standard Asset	10,03,87,510.50	18,67,20,749.00	2,50,968.78	4,66,801.87	10,01,36,541.72	18,62,53,947.13
Sub Standard Asset	1,86,31,543.00	1,82,09,187.00	18,63,154.30	18,20,918.70	1,67,68,388.70	1,63,88,268.30
Doubtful Asset	8,02,95,230.00	6,44,73,716.00	2,64,00,261.90	2,05,14,854.50	5,38,94,968.10	4,39,58,861.50
Loss Asset	-	25,951.00	-	25,951.00	-	-
<b>Total</b>	<b>19,93,14,283.50</b>	<b>26,94,29,603.00</b>	<b>2,85,14,384.98</b>	<b>2,28,28,526.07</b>	<b>17,07,99,898.52</b>	<b>24,66,01,076.93</b>

n.(ii) NPA MOVEMENT

Particulars	31-March-2020			31-March-2019		
	Gold Loan	Pronote Loan	Other Loans	Gold Loan	Pronote Loan	Other Loans
A.Opening NPA as on 01.04.2019	-	31,90,52,839.00	8,27,08,854.00		34,76,84,535.00	9,75,13,664.00
B.New NPA accounts	-	32,17,717.00	1,25,83,610.00		3,35,09,621.00	1,82,09,187.00
C.Increase in existing NPA	-	11,42,324.00	92,88,640.00	-	4,84,18,897.00	4,23,140.00
<b>D.Total (A+B+C)</b>	<b>-</b>	<b>32,34,12,880.00</b>	<b>10,45,81,104.00</b>	<b>-</b>	<b>42,96,13,053.00</b>	<b>11,61,45,991.00</b>
E.Write off accounts and accounts reclassified As performing assets on payment of dues	-	3,13,30,417.00	56,54,331.00	-	11,05,60,214.00	3,34,37,137.00
<b>F.Closing NPA as on 31.03.2020 (D-E)</b>	<b>-</b>	<b>29,20,82,463.00</b>	<b>9,89,26,773.00</b>	<b>-</b>	<b>31,90,52,839.00</b>	<b>8,27,08,854.00</b>

**PNY SABHA FINANCE LTD**

Notes to financial statements for the year ended 31-March-2020

4.Share capital	31-March-2020	31-March-2019
	₹	₹
<b>Authorized shares</b>		
7,50,00,000 (31st March 2019: 7,50,00,000) equity shares of ₹.10/- each	75,00,00,000.00	75,00,00,000.00
<b>Issued, subscribed and fully paid-up shares</b>		
4,30,73,041 (31 March 2019: 4,26,99,401 ) equity shares of ₹.10/- each	43,07,30,410.00	42,69,94,010.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>43,07,30,410.00</b>	<b>42,69,94,010.00</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****Equity shares**

	31/March/2020		31/March/2019	
	Number	₹	Number	₹
At the beginning of the year	4,26,99,401.00	42,69,94,010.00	4,03,45,272.00	40,34,52,720.00
Shares Issued during the year	3,73,640.00	37,36,400.00	23,54,129.00	2,35,41,290.00
Shares bought back during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>4,30,73,041.00</b>	<b>43,07,30,410.00</b>	<b>4,26,99,401.00</b>	<b>42,69,94,010.00</b>

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date- NIL

**d. Details of shareholders holding more than 5% shares in the company**

	31/March/2020		31/March/2019	
	Number	% holding in the class	Number	% holding in the class
<b>Equity shares of ₹. 10 each fully paid</b>				
Peringottukara NAMBOODIRI Yogakshema Sabha	1,08,56,930.00	25.21	77,65,026.00	18.19

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**PNY SABHA FINANCE LTD****Notes to financial statements for the year ended 31-March 2020**

<b>5 Reserves and surplus</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
<b>Statutory reserve</b>		
Balance as per the last financial statements	34,95,290.50	34,95,290.50
Add: Transferred from surplus balance in the statement of Profit and Loss	-	-
<b>Closing Balance</b>	<b>34,95,290.50</b>	<b>34,95,290.50</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(15,06,67,313.84)	(13,27,82,811.57)
Profit for the year	(5,02,60,404.66)	(1,78,84,502.28)
Less: Appropriations		
Transfer to Statutory reserve	-	-
Depreciation reserve	-	-
Total appropriations	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>(20,09,27,718.50)</b>	<b>(15,06,67,313.84)</b>
<b>Total reserves and surplus</b>	<b>(19,74,32,428.00)</b>	<b>(14,71,72,023.34)</b>

**Notes:**

a. As per the Companies (Share Capital & Debenture) Rules 2014, Non banking financial companies (NBFC) and other financial institutions covered by section 2(72) of the Companies Act, 2013 are not required to maintain debenture redemption reserve for privately placed Debentures.

**PNY SABHA FINANCE LTD**

Notes to financial statements for the year ended 31-March 2020

6 Long-term borrowings	Non-current portion		Current maturities	
	31/March/2020	31/March/2019	31/March/2020	31/March/2019
<b>Bonds/ debentures</b>				
<b>Subordinate debt (Unsecured)</b>				
8,48,997 bonds (Previous year 6,60,125 bonds) of ` 1,000 each	77,36,37,000.00	61,83,70,000.00	7,53,60,000.00	4,17,55,000.00
<b>Non convertible debentures (Secured)*</b>				
4,29,662 (Previous year - 5,63,380) 10% - 13% (Previous year 10% - 13%) Secured Non-convertible Debentures of ` 1,000/- each redeemable at par at the end of the term of each series of debentures ranging between 1-5 years	25,80,65,000.00	30,31,65,000.00	17,15,97,000.00	26,02,15,000.00
Term loans from Banks(Secured)	2,10,00,000.00	2,80,00,000.00	70,00,000.00	1,40,00,000.00
	<b>1,05,27,02,000.00</b>	<b>94,95,35,000.00</b>	<b>25,39,57,000.00</b>	<b>31,59,70,000.00</b>
<b>The above amount includes</b>				
Secured borrowings	27,90,65,000.00	33,11,65,000.00	17,85,97,000.00	27,42,15,000.00
Unsecured borrowings	77,36,37,000.00	61,83,70,000.00	7,53,60,000.00	4,17,55,000.00
<b>Net amount</b>	<b>1,05,27,02,000.00</b>	<b>94,95,35,000.00</b>	<b>25,39,57,000.00</b>	<b>31,59,70,000.00</b>

\* Current Portion included overdue debentures amounting to Rs. 1,05,82,000.

**Note:**

a. Subordinate debt are unsecured and are subordinated to the claim of other creditors. It is issued for a maximum period of 5-6 years and no premature closing is allowed.

b. Term loan from South Indian Bank repayable in 20 equated quarterly installments of Rs.35,00,000 each along with interest, from the date of loan, viz., 1 February 2011. The loan is secured by hypothecation of entire current assets of the company including loan receivables along with debenture holders and Dhanalakshmi Bank. Collateral security provided is Land and building owned by PNY Sabha(96.25 cents of land in Sy.Nos.313/2,3,314/1,2,3,4,office rooms in Sy.no.445/2,1463/2 ).



**PNY SABHA FINANCE LTD**

**Notes to financial statements for the year ended 31-March 2020**

**Note 6 (contd.)**

**B) Debentures (Secured)**

**i) Redeemable Non Convertible Debentures of ₹. 1,000/- each - Terms of repayment**

**As at March 31, 2020**

Redeemable at par within	Rate of interest					
	< 12%		>= 12% < 14%		Total	
	No.	₹	No.	₹	No.	₹
Due with in 1 year	1,71,597.00	17,15,97,000.00	-	-	1,71,597.00	17,15,97,000.00
Due with in 1-2 years	1,39,450.00	13,94,50,000.00	-	-	1,39,450.00	13,94,50,000.00
Due with in 2-3 years	1,18,615.00	11,86,15,000.00	-	-	1,18,615.00	11,86,15,000.00
<b>Grand Total</b>	<b>4,29,662.00</b>	<b>42,96,62,000.00</b>	<b>-</b>	<b>-</b>	<b>4,29,662.00</b>	<b>42,96,62,000.00</b>

**As at March 31, 2019**

Redeemable at par within	Rate of interest					
	< 12%		>= 12% < 14%		Total	
	No.	₹	No.	₹	No.	₹
Due with in 1 year	2,60,215.00	26,02,15,000.00	-	-	2,60,215.00	26,02,15,000.00
Due with in 1-2 years	1,93,616.00	19,36,16,000.00	-	-	1,93,616.00	19,36,16,000.00
Due with in 2-3 years	1,09,549.00	10,95,49,000.00	-	-	1,09,549.00	10,95,49,000.00
			-	-	-	-
<b>Grand Total</b>	<b>5,63,380.00</b>	<b>56,33,80,000.00</b>	<b>-</b>	<b>-</b>	<b>5,63,380.00</b>	<b>56,33,80,000.00</b>

**Nature of Security**

- \* NCDs are secured by the floating charge on all loan receivable of all branches.
- \* NCDs are offered upto a period of 5 years

**PNY SABHA FINANCE LTD**

**Notes to financial statements for the year ended 31-March 2020**

**Note 6 (contd.)**

**C) Subordinate debts**

**Subordinate debts have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:**

**As at March 31, 2020**

Redeemable at par within	Rate of interest				
	< 12%		≥ 12% < 14%		Total
	No.	₹	No.	₹	₹
Due within 4-5 years	1,94,199.00	19,41,99,000.00	-	-	19,41,99,000.00
Due within 3-4 years	2,28,711.00	22,87,11,000.00	-	-	22,87,11,000.00
Due within 2-3 years	1,28,977.00	12,89,77,000.00	20,000.00	2,00,00,000.00	14,89,77,000.00
Due within 1-2 years	1,83,497.00	18,34,97,000.00	18,253.00	1,82,53,000.00	20,17,50,000.00
Due within 1 year	33,493.00	3,34,93,000.00	41,867.00	4,18,67,000.00	7,53,60,000.00
<b>Grand Total</b>	<b>7,68,877.00</b>	<b>76,88,77,000.00</b>	<b>80,120.00</b>	<b>8,01,20,000.00</b>	<b>84,89,97,000.00</b>

**As at March 31, 2019**

Redeemable at par within	Rate of interest				
	< 12%		≥ 12% < 14%		Total
	No.	₹	No.	₹	₹
Due within 5-6 years	-	-	-	-	-
Due within 4-5 years	1,93,789.00	19,37,89,000.00	-	-	19,37,89,000.00
Due within 3-4 years	1,28,977.00	12,89,77,000.00	20,000.00	2,00,00,000.00	14,89,77,000.00
Due within 2-3 years	1,25,249.00	12,52,49,000.00	77,341.00	7,73,41,000.00	20,25,90,000.00
Due within 1-2 years	-	-	73,014.00	7,30,14,000.00	7,30,14,000.00
Due within 1 year	78.00	78,000.00	41,677.00	4,16,77,000.00	4,17,55,000.00
<b>Grand Total</b>	<b>4,48,093.00</b>	<b>44,80,93,000.00</b>	<b>2,12,032.00</b>	<b>21,20,32,000.00</b>	<b>66,01,25,000.00</b>



**PNY SABHA FINANCE LTD**

**Notes to financial statements for the year ended 31-March 2020**

7 Other long term liabilities	Non-current portion		Current portion	
	31-March-2020	31-March-2019	31-March-2020	31-March-2019
<b>Interest accrued but not due on long term borrowings</b>				
1. For Subordinate Debt	3,48,50,706.30	2,11,85,540.30	2,56,25,724.26	3,20,61,073.26
2. For Non convertible debentures	-	-	1,47,61,641.53	1,90,69,083.97
Sundry Deposits	2,50,000.00	2,50,000.00	-	-
<b>TOTAL</b>	<b>3,51,00,706.30</b>	<b>2,14,35,540.30</b>	<b>4,03,87,365.79</b>	<b>5,11,30,157.23</b>

8 Long-term provisions	Non-current portion		Current portion	
	31-March-2020	31-March-2019	31-March-2020	31-March-2019
<b>Provision for employee benefits</b>				
Provision for gratuity	-	-	-	-
Provision for leave encashment	54,77,822.00	50,70,512.00	-	-
<b>TOTAL</b>	<b>54,77,822.00</b>	<b>50,70,512.00</b>	<b>-</b>	<b>-</b>

9 Short-term borrowings	Non-current portion		Current portion	
	31-March-2020	31-March-2019	31-March-2020	31-March-2019
Dhanalaxmi Bank Overdraft	-	-	1,79,52,278.48	2,79,24,931.55
South Indian Bank Overdraft	-	-	7,49,33,926.48	5,55,22,188.20
South Indian Bank Gold Loan	-	-	89,31,704.01	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>10,18,17,908.97</b>	<b>8,34,47,119.75</b>
<b>The above amount includes</b>				
Secured borrowings	-	-	10,18,17,908.97	8,34,47,119.75
Unsecured borrowings	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>10,18,17,908.97</b>	<b>8,34,47,119.75</b>

**Details of security**

Dhanalaxmi Bank Overdraft is secured by charge on entire receivables , gold loan receivables of the company along with the charge of debenture holders & South Indian Bank along with collateral security of Land and building owned by PNY Sabha( 90.75 cents of land in Sy.Nos.313/2,3,314/1,2,3,4,office rooms in Sy.no.445/2,1063/2 ) and fixed deposit amounting to Rs.30,00,000/-

South Indian Bank Overdraft is secured by floating charge on entire current assets including gold receivables along with debentureholders and Dhanalaxmi Bank. Collateral security provided is Land and building owned by PNY Sabha(96.25 cents of land in Sy.Nos.313/2,3,314/1,2,3,4,office rooms in Sy.no.445/2,1463/2 )

South indian bank Gold loan is secured by Repledge of gold ornaments obtained as collateral security for loans sanctioned by the Company.

**PNY SABHA FINANCE LTD****Notes to financial statements for the year ended 31-March 2020**

<b>10 Other current liabilities</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
Current maturities of long-term borrowings (note 5)	25,39,57,000.00	31,59,70,000.00
Current maturities interest accrued but not due on borrowings (note 6)	4,03,87,365.79	5,11,30,156.23
<u>Statutory Due Payable</u>		
P.F.Payable	11,50,449.00	10,50,932.00
T.D.S Payable	1,62,524.00	9,08,465.00
ESI payable	1,72,546.00	2,48,778.90
Expenses Payable	12,18,032.00	3,96,798.00
Audit fee payable	1,10,160.00	91,800.00
Employee related payables	4,71,331.00	34,237.00
Gold auction payable	-	1,732.00
Labour welfare fund	12,000.00	6,000.00
Unclaimed Debentures	3,00,000.00	3,00,000.00
Others payable	1,23,902.00	20,877.00
		-
<b>TOTAL</b>	<b>29,80,65,309.79</b>	<b>37,01,59,776.13</b>

<b>11.Short Term Provisions</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
Provision for NPA	13,11,40,158.80	12,36,95,128.30
Provision for Standard Assets	28,65,981.92	27,91,980.08
	<b>13,40,06,140.72</b>	<b>12,64,87,108.38</b>

Note :

Secured loans are classified or provided for as per management estimates, subject to the minimum provision required as per Non Banking Financial Company Prudential Norms( Reserve Bank) Directions as follows

**Classification of loans****Provisioning Policy**

Standard Assets	0.25%
Sub Standard Assets	10.00%
Doubtful Assets	100 % for unsecured portion & 20-50% for secured portion
Loss Assets	written down in books

12 PROPERTY, PLANT & EQUIPMENT

Cost or valuation	Land	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>At 31 March 2018</b>	-	21,43,155.32	5,32,50,564.60	19,23,098.00	1,47,57,025.75	7,20,73,843.67
Additions	-	23,955.12	41,62,318.00	-	8,93,873.88	50,80,147.00
Disposals	-	-	-	-	-	-
<b>At 31 March 2019</b>	-	21,67,110.44	5,74,12,882.60	19,23,098.00	1,56,50,899.63	7,71,53,990.67
Additions	44,20,500.00	11,899.53	31,17,209.00	-	15,22,663.94	90,72,272.47
Disposals	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>44,20,500.00</b>	<b>21,79,009.97</b>	<b>6,05,30,091.60</b>	<b>19,23,098.00</b>	<b>1,71,73,563.57</b>	<b>8,62,26,263.14</b>
<b>Depreciation</b>						
	Land	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Total
<b>At 31 March 2018</b>	-	15,04,689.16	2,42,69,605.30	6,63,903.13	1,11,74,352.47	3,76,12,550.06
Charge for the year	-	2,71,045.31	48,98,503.58	2,28,368.10	15,71,589.22	69,69,506.21
Disposals/adjustments	-	-	-	-	-	-
<b>At 31 March 2019</b>	-	17,75,734.47	2,91,68,108.88	8,92,271.23	1,27,45,941.69	4,45,82,056.27
Charge for the year	-	1,49,875.91	50,58,039.20	2,28,367.77	11,38,485.12	65,74,768.00
Disposals/adjustments	-	-	-	-	-	-
<b>At 31 March 2020</b>	-	<b>19,25,610.38</b>	<b>3,42,26,148.08</b>	<b>11,20,639.00</b>	<b>1,38,84,426.81</b>	<b>5,11,56,824.27</b>
<b>Net Block</b>						
<b>At 31 March 2020</b>	<b>44,20,500.00</b>	<b>2,53,399.59</b>	<b>2,63,03,943.52</b>	<b>8,02,459.00</b>	<b>32,89,136.76</b>	<b>3,50,69,438.87</b>
<b>At 31 March 2019</b>	-	<b>3,91,375.98</b>	<b>2,82,44,773.72</b>	<b>10,30,826.77</b>	<b>29,04,957.94</b>	<b>3,25,71,934.40</b>

Note- Depreciation on the fixed assets are provided based on the useful life of the Assets, as per Part C of Schedule II, of the Companies Act 2013.

**PNY SABHA FINANCE LTD**

Notes to financial statements for the year ended 31-March 2020

**13 Intangible assets**

<b>Particulars</b>	<b>Computer software</b>
<b>Gross block</b>	
<b>At 31 March 2018</b>	<b>47,76,505.00</b>
Purchase	5,12,241.00
Acquisitions through amalgamation	-
<b>At 31 March 2019</b>	<b>52,88,746.00</b>
Purchase	6,40,485.00
Acquisitions through amalgamation	-
<b>At 31 March 2020</b>	<b>59,29,231.00</b>
<b><u>Amortisation</u></b>	
<b>At 31 March 2018</b>	<b>38,78,868.34</b>
Charge for the year	7,87,446.00
<b>At 31 March 2019</b>	<b>46,66,314.34</b>
Charge for the year	4,16,371.00
<b>At 31 March 2020</b>	<b>50,82,685.34</b>
<b>Net block</b>	
<b>At 31 March 2020</b>	<b>8,46,545.66</b>
<b>At 31 March 2019</b>	<b>6,22,431.66</b>

\* Intangible assets are amortised over a period of 3 years.

**PNY SABHA FINANCE LTD****Notes to financial statements for the year ended 31-March 2020**

<b>14 . Deferred tax assets (net)</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
<b>Deferred tax liability</b>		
Written Down Value as on 31.03.2020 as per Companies Act	3,59,15,984.53	3,31,94,366.06
Written Down Value as on 31.03.2020 as per Income tax Act	4,26,02,277.00	3,82,55,869.00
<b>Gross deferred tax liability</b>	<b>(17,38,436.04)</b>	<b>(13,15,990.76)</b>
<b>Deferred tax asset</b>		
Provision for standard and doubtful debts and advances	3,48,41,596.59	3,28,86,648.18
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-
Provision for Gratuity	-	-
Provision for leave encashment	14,24,233.72	13,18,333.12
Unabsorbed depreciation and carry forward of losses	3,77,66,883.44	2,14,40,407.56
<b>Gross deferred tax asset</b>	<b>7,40,32,713.75</b>	<b>5,56,45,388.86</b>
<b>Net deferred tax asset</b>	<b>7,57,71,149.79</b>	<b>5,43,29,398.10</b>

PNY SABHA FINANCE LTD

Notes to financial statements for the year ended 31-March 2020

15 Loans and advances	Non-current		Current	
	31-March-2020	31-March-2019	31-March-2020	31-March-2019
	₹	₹	₹	₹
<b>Portfolio Loan</b>				
<b>Secured, considered good</b>	<b>6,89,44,597.00</b>	<b>11,55,17,824.00</b>	<b>1,07,74,19,798.00</b>	<b>96,28,82,299.00</b>
- Gold			1,01,56,79,001.00	87,94,45,315.00
- Business Loan	1,49,890.00	10,248.00	26,72,887.00	39,97,095.00
-Vehicle loan	3,46,92,261.00	4,90,44,228.00	3,41,97,577.00	5,63,67,681.00
-EDI Loan	7,21,730.00	-	51,25,383.00	53,99,966.00
-Pronote Loan	3,33,80,716.00	6,64,63,348.00	1,97,44,950.00	1,76,72,242.00
<b>Secured, considered doubtful</b>	<b>-</b>	<b>-</b>	<b>34,23,97,659.00</b>	<b>34,68,60,893.00</b>
- Pronote Loan	-	-	26,55,36,865.00	28,55,43,218.00
- Business Loan	-	-	4,30,60,069.00	4,30,12,095.00
-Vehicle loan	-	-	2,83,17,968.00	1,43,48,317.00
-EDI Loan	-	-	54,82,757.00	39,57,263.00
<b>Unsecured, considered good</b>	<b>1,69,23,345.00</b>	<b>5,44,95,668.00</b>	<b>2,45,35,980.50</b>	<b>3,56,15,050.00</b>
- Pronote Special Loan	-	-	-	-
- Personal Loan	-	-	-	-
-Group Loan	1,69,23,345.00	5,44,95,668.00	2,45,35,980.50	3,56,15,050.00
<b>Unsecured, considered doubtful</b>	<b>-</b>	<b>-</b>	<b>34,34,436.00</b>	<b>31,81,992.00</b>
-Group Loan	-	-	34,34,436.00	31,81,992.00
(A)	<b>8,58,67,942.00</b>	<b>17,00,13,492.00</b>	<b>1,44,77,87,873.50</b>	<b>1,34,85,40,234.00</b>
<b>Other advances ( Unsecured &amp; considered good)</b>				
Other advances	-	-	22,08,583.04	21,28,444.04
B)	-	-	<b>22,08,583.04</b>	<b>21,28,444.04</b>
<b>Deposits ( Unsecured &amp; considered good)</b>				
Telephone Deposit	2,000.00	2,000.00	-	-
Rent Security Deposit	4,24,10,750.00	4,25,98,250.00	-	-
C)	<b>4,24,12,750.00</b>	<b>4,26,00,250.00</b>	-	-
<b>Total (A+ B+C )</b>	<b>12,82,80,692.00</b>	<b>21,26,13,742.00</b>	<b>1,44,99,96,456.54</b>	<b>1,35,06,68,678.04</b>

Loans and advances due by employees & officers, etc.	Non-current		Current	
	31-March-2020	31-March-2019	31-March-2020	31-March-2019
<b>Loans to employees include</b>				
Dues from executive directors	1,95,033	1,65,156	-	-
Dues from officers	26,02,725	27,25,556	1,82,274	21,536
<b>Loans to related parties</b>				
Secured	-	-	-	-
Unsecured	-	-	-	-

Provision for Non performing assets and standard assets are shown separately under short term provisions. ( Note 10)

Note: Loan Portfolio includes Suit filed accounts balance amounting to Rs.2,34,45,539 (PY. Rs. 2,06,08,772) and Arbitration accounts balance amounting to Rs.31,16,59,665 (P.Y. Rs.33,55,51,730)

**PNY SABHA FINANCE LTD**

Notes to financial statements for the year ended 31-March 2020

16. Investments	Non-current		Current	
	31/March/2020	31/March/2019	31/March/2020	31/March/2019
	₹	₹	₹	₹
Kuri investments	2,05,56,224.00	3,61,78,112.00	-	-
	<b>2,05,56,224.00</b>	<b>3,61,78,112.00</b>	-	-

17 .Cash and bank balances	Non-current		Current	
	31/March/2020	31/March/2019	31/March/2020	31/March/2019
	₹	₹	₹	₹
<b>Cash and cash equivalents</b>				
Cash in hand	-	-	44,15,035.00	1,33,90,324.00
Balances with banks:				
On current accounts	-	-	58,94,117.99	2,90,09,000.76
Term deposit	-	-	43,81,398.45	41,10,411.99
	-	-	<b>1,46,90,551.44</b>	<b>4,65,09,736.75</b>

**Note;**

Term deposit includes Fixed Deposit with South Indian Bank Ltd amounting to Rs.40,43,322 @ 7.10% maturing on 18.11.2020 and Dhanalaxmi bank Ltd amounting to Rs. 338,076.50 @ 6.60 % maturing on 22.05.2020

**PNY SABHA FINANCE LTD**

**Notes to financial statements for the year ended 31-March 2020**

18 . Other assets	Non-current		Current	
	31/March/2020	31/March/2019	31/March/2020	31/March/2019
	₹	₹	₹	₹
Stamp paper & Revenue Stamp	-	-	21,698.00	25,800.00
Stock of stationery	-	-	8,68,240.25	5,74,871.00
Commission receivable	-	-	92,494.12	11,66,239.66
Advance tax and tax deducted at source	-	-	32,54,673.54	3,97,675.96
Refund receivable	-	-	33,51,013.00	40,03,165.00
KVAT security deposit	-	-	25,000.00	25,000.00
Security Deposit-CDSL	-	-	1,50,000.00	1,50,000.00
Security Deposit-NSDL	-	-	1,50,000.00	1,50,000.00
GST Receivable	-	-	24,36,235.67	16,06,518.47
Prepaid Expenses	-	-	6,93,282.00	-
Others	-	-	30,445.00	74,045.00
(A)	-	-	<b>1,10,73,081.58</b>	<b>81,73,315.09</b>
<b>Others</b>				
Western Union	-	-	-	2,93,218.00
X-Press Money	-	-	-	49,986.00
Domestic Money Transfer	-	-	67,004.00	1,44,989.00
Paul Money DMTS	-	-	11,928.75	11,928.75
RIA Money Transfer	-	-	-	60,000.00
Fair Value of Planned Asset	-	-	25,47,679.53	20,57,509.93
Interest accrued but not due:				
Loan Portfolio	-	-	4,72,15,686.00	3,32,17,911.00
Kuri Receivable	-	-	7,36,76,240.50	5,84,54,152.50
PNYS Securities India Pvt.Ltd.	-	-	41,960.42	-
Peringottukara Namboothiri Yogakshema Sabha	-	-	8,24,230.70	-
(B)	-	-	<b>12,43,84,729.90</b>	<b>9,42,89,695.18</b>
<b>Total (A + B )</b>	-	-	<b>13,54,57,811.48</b>	<b>10,24,63,010.27</b>



**PNY SABHA FINANCE LTD**

**Notes to financial statements for the year ended 31-March 2020**

<b>19 Revenue from operations</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
<b>Revenue from Interest</b>		
Gold Loan	19,74,22,500.19	13,70,55,426.00
Pronote Loan	50,65,705.00	6,62,75,760.00
Business loans	15,24,663.10	5,68,289.50
Suit Filed	-	2,51,407.00
Vehicle Loan	1,20,44,525.00	2,99,44,302.00
EDI Loan	10,87,931.85	21,02,999.10
Group Loan	1,28,26,036.82	2,18,81,098.00
<b>Revenue from other financial services</b>		
Money transfer(Commission)	13,84,016.84	14,80,545.15
<b>Revenue from operations</b>	<b>23,13,55,378.80</b>	<b>25,95,59,826.75</b>

<b>20 Other income</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
Income From investment	3,13,000.00	1,22,000.00
Profit on sale of asset	-	46,610.00
Interest on Income tax Refund	50,298.00	-
Interest income on Bank Deposits	2,98,724.46	2,80,272.99
Appraisor allowance collected	-	1,30,461.00
Processing charges and other income	4,76,286.50	10,15,294.20
<b>TOTAL</b>	<b>11,38,308.96</b>	<b>15,94,638.19</b>

\* As per the prudential norms, suit filed interest is considered on cash basis.

**PNY SABHA FINANCE LTD**

Notes to financial statements for the year ended 31-March 2020

<b>21 Finance costs</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
Interest & Bank Charges		
on Debentures	4,76,98,723.30	6,19,64,890.08
on Bank Borrowings	1,50,95,125.34	1,18,33,086.52
on Subordinate debt	8,41,91,968.00	5,42,03,801.00
<b>TOTAL</b>	<b>14,69,85,816.64</b>	<b>12,80,01,777.60</b>

<b>22 Employee benefit expense</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
Salaries, wages and bonus	6,89,38,942.00	6,62,38,394.00
Allowances to Contract Staff	49,64,691.00	54,81,196.00
Contribution to provident and other fund	62,53,513.00	55,33,335.00
Gratuity expense (note g.1)	16,61,762.40	15,65,056.07
Staff welfare & training expenses	2,52,59,313.00	1,74,66,479.00
ESI expense	17,42,662.92	14,59,390.00
Leave Encashment	21,57,415.00	21,47,120.00
<b>TOTAL</b>	<b>11,09,78,299.32</b>	<b>9,98,90,970.07</b>

**PNY SABHA FINANCE LTD**

**Notes to financial statements for the year ended 31-March 2020**

<b>23 Other expenses</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
Advertising and sales promotion	17,02,976.00	13,27,395.00
Bank charges and documentation charges	10,09,935.07	4,77,354.98
Business promotion expenses	1,37,248.00	3,18,655.00
Service Tax & GST Paid	6,99,275.13	23,23,788.63
Directors' sitting fees	2,38,000.00	1,94,000.00
AMC	8,66,762.00	8,81,660.00
Electricity and water charges	20,85,702.00	19,45,559.00
Filing Fees	95,179.00	19,27,488.00
Gold appraisor charges	1,095.00	-
Inauguration expenses	71,583.00	42,736.00
Insurance	2,92,528.00	5,76,209.00
Legal Expense	7,59,708.00	2,72,065.00
Meeting Expenses	3,99,965.50	3,28,743.00
Membership Fee	-	10,000.00
Miscellaneous expenses	2,49,599.74	2,41,810.33
Payment to auditor	1,15,000.00	1,16,000.00
Postage and telegram	1,00,550.70	56,692.20
Printing and stationery	10,79,023.84	13,21,021.00
Professional charges	21,78,834.00	2,93,226.00
Rates and taxes	2,71,458.00	2,92,597.00
Rent	1,15,66,961.00	1,12,55,268.00
Commission paid	3,24,000.00	1,70,66,909.00
		-
<u>Repairs and maintenance</u>		
Vehicles	2,40,801.75	3,28,339.00
Others	10,43,947.00	11,96,324.00
Telephone charges	22,29,595.08	20,48,100.52
Travelling and conveyance	35,15,382.00	16,60,675.00
	<b>3,12,75,109.81</b>	<b>4,65,02,615.66</b>
<b>Payment to Auditor</b>		
	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
For		
Statutory Audit	1,12,000.00	1,02,000.00
Other Certifications	3,000.00	14,000.00
	<b>1,15,000.00</b>	<b>1,16,000.00</b>

<b>24. Provision and writtenoff</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
Provision for NPA	74,45,030.51	1,19,55,861.00
Provision for Standard Assets	74,001.83	2,82,409.64
Bad debts/advances written off	3,48,791.00	5,53,775.00
	<b>78,67,823.34</b>	<b>1,27,92,045.64</b>

**PNY SABHA FINANCE LTD**

**Notes to financial statements for the year ended 31-March 2020**

<b>25 Depreciation and amortization expense</b>	<b>31-March-2020</b>	<b>31-March-2019</b>
	<b>₹</b>	<b>₹</b>
Depreciation of tangible assets	65,74,768.00	69,69,506.21
Amortization of intangible assets	4,16,371.00	7,87,446.00
	<b>69,91,139.00</b>	<b>77,56,952.21</b>