

**Transcript of
24th Annual General Meeting of
PNB Gilts Limited
held on 30.09.2020**

Commenced at 10:30 a.m.

Deeba Hasan: Very Good Morning to all of you. I am Deeba Hasan and I am the moderator of this meeting, I now handover the proceedings of the meeting to the Company Secretary, Ms. Monika Kochar.

Monika Kochar: Good Morning to all of you. I welcome you all on behalf of your company PNB Gilts Limited to its 24th Annual General meeting which is being held today through video conferencing. Before I hand over the proceedings to the Chairman to declare the meeting open, I would like to highlight certain points here. The joining to this meeting opened 30 minutes before the scheduled time of the commencement of the meeting, which is 10:30 am and it will remain open for another 30 minutes hereafter for joining. Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via a mobile hotspot may experience some audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. As mentioned in the notice of the AGM, the facility of participation at AGM through video conferencing or through other audio/visual means has been made available for 1000 members on first come first serve basis, except for large shareholders, promoter, institutional investors, Directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee as well as the Auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis. Subsequent to the MCA circular of 8th April 2020, issued by the Ministry of

Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available at this AGM. However, a body corporate is entitled to appoint authorized representatives to attend the AGM through VC, other audio/video means and participate and cast their votes through e-voting. The registered office of the company, situated at New Delhi, shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made here at registered office itself. To transact the businesses as mentioned in the notice, the members were provided an opportunity to inspect all documents referred to in the notice in the manner prescribed therein. We have received the requests from 8 members for registration as a speaker shareholder in the AGM today and few of them are attending. All those members who have been provided specific links to log in to the meeting and we shall be allowing them to speak once the Chairman directs the same. We request speakers to limit their speeches to 3 minutes for the benefit of other shareholders. At the end of 2 minutes, you will hear a prompt in the form of bell sound. You may start concluding your remarks at this sound. After 3 minutes, another prompt in the form of bell sound will be released and moderator will take up the next question then. I would also like to highlight to the speakers that when the moderator will take your name, your mic will be opened by the moderator of this meeting. You will have to also unmute the mic from your end and start your views/opinions and comments. Non-registered shareholder speakers who are attending this meeting through VC today can also express their views and raise questions, if any they have, through the chat box provided.

The Chairman would be responding to all such queries one by one. If some query is left unanswered due to some paucity of time or otherwise, then the member can also post it again or can email the same at m.kochar@pnbgilts.com for reply afterwards. I may now also inform that the Chairman on the Board is yet to be appointed and in terms of Article 77(2) of Articles of Association of the Company, your Directors have elected Shri P. P. Pareek as Chairman of this meeting, who is also Chairman of Audit Committee, Nomination & Remuneration Committee and CSR Committee. With this, I hand over the proceedings to Mr. P. P. Pareek, Chairman of the Meeting. Over to you sir.

P. P. Pareek: Thank you Monika and thanks all my colleagues for electing me as a Chairman of this meeting. Dear Members, on my personal behalf and on behalf of the Board of Directors of the Company, I extend a warm welcome to all the shareholders in this 24th AGM of your Company. I hope each one of you is safe and healthy. Technology has provided extraordinary solutions to us and hence in these unprecedented times of COVID-19 pandemic, we are able to meet you through this new format of meetings. The company has made all efforts feasible under the current circumstances to enable the members to participate at the meeting through the video conferencing facility and vote electronically.

The requisite quorum being present, I call the meeting to order.

Good morning ladies and gentlemen. Before I proceed further, I would like to introduce to you my colleagues on the VC. I would request all my worthy members to acknowledge when I introduce him or her.

Mr. S. K. Kalra, Independent Director and Chairman of Risk Management Committee and CP Issuance Committee. He is attending the Meeting from Gurgaon.

S. K. Kalra: I am S. K. Kalra, Independent Director from PNB Gilts, attending this meeting through video conferencing from my residence at Gurgaon.

P. P. Pareek: Ms. Uma Ajay Relan, Independent Director and Chairperson of Stakeholders' Relationship Committee. She is joining the meeting from Gurgaon.

Uma Relan: Thank you Mr. Pareek, this is Uma Relan. Pleased to be here.

P. P. Pareek: Dr. T. M. Bhasin, Independent Director and Chairman of Share Transfer and Issue of Duplicate Share Certificates Committee. He is joining the Meeting from New Delhi.



(Subsidiary of Punjab National Bank)

T. M. Bhasin: Good morning to all. I am T. M. Bhasin. I am joining the meeting from New Delhi and this is 24th Annual General Meeting. All the best to all of you. Thank You.

P. P. Pareek: Mr. Vikas Goel, Managing Director & CEO attending the meeting from registered office of the company.

Vikas Goel: I am Vikas Goel and I am attending the meeting from the registered office of the company.

P. P. Pareek: Ms. Monika Kochar, Company Secretary. She is also attending the meeting from Registered Office of the Company.

Monika Kochar: This is Monika Kochar and I welcome you all in this meeting.

P. P. Pareek: Apart from them, we also have senior management joining from their respective locations. Representatives of Statutory Auditors, Rasool Singhal & Co., Secretarial Auditor, Pranav Kumar & Associates and Internal Auditor, Lodha & Co. have also joined this meeting. I am sorry, I forgot to mention the name of Vishesh Kumar Ji who is representing the largest shareholder and the parent of your company i.e. PNB, as the Director of this company.

Vishesh Kumar Shrivastava: Hello everybody, I am Vishesh Kumar Shrivastava, representing PNB and I am attending this meeting from Corporate Office, PNB. Thank You.

P. P. Pareek: Dear shareholders, I am P. P. Pareek, Chairman and I am attending this meeting from Jaipur. Before we take up the items as per the notice, I would like to share with you the performance of the company during the FY20 and the general outlook for the Primary Dealer Industry. Now I will read my address.

First of all, I welcome you all to the 24th Annual General Meeting of PNB Gilts on behalf of the PNB Gilts Board of Directors. I want to thank you for taking the time out, to join us today. We are meeting through this virtual mode because

we are living through extraordinary times. The notice calling the 24th AGM of the company and the Audited Annual Financial Statements for the year ended 31st March 2020 together with Auditors' and Directors' reports thereon have been with you for quite some time now. Further, there were no qualifications or observations or adverse comments or remarks in the reports of Statutory Auditor, Comptroller and Auditor General of India's Audit, or Secretarial Audit, which have any material bearing on the functioning of the company. With your permission, all these be taken as read. If anybody has any observation on that, either from the shareholder side, he can raise this wherever he wants.

Now, before mentioning the salient features of the company's performance during the year under review, I consider it my duty on my part to touch upon the developments in the Indian economy in general and the conditions in money and securities market in particular, in which sector our company functions. The FY 20 was unparalleled, with the COVID contagion, resulting into acute economic and humanitarian distress across the globe. Even before the COVID crisis hit the world, the economies were already grappling with demand slowdown and the adverse impact of trade wars. The global economic outlook looks extremely bleak as economies continue to function far below the normal capacities. On the domestic front, real GDP growth declined from 6.1% in FY19 to 4.2% (provisional) in FY20. While India's external position improved with the current account deficit narrowing to 0.9% of GDP in FY20, the fiscal deficit position deteriorated significantly as revenues sharply lagged expenditures. The fiscal deficit as a percentage of GDP for FY20 settled in 4.6% as against the budgeted fiscal deficit of 3.3 per cent of GDP.

In response to the sharp and sequential slowdown in growth, RBI embarked on a monetary easing cycle, reducing the repo rate by 185 bps and the reverse repo rate by 200 bps to 4.40% and 4.00% respectively. RBI also infused record levels of liquidity in the system through conventional and unconventional tools to improve monetary transmission and address the COVID induced pressures on the financial system. The expansive regulatory & policy measures taken, resulted in smooth functioning of the financial system and markets, despite the severity of the COVID induced economic crisis. Now I come on the company's

performance, as you all must have noticed on the balance sheet and the data available in the public domain. I am pleased to state that your company navigated through the exceptionally challenging times, tapping the available opportunities with utmost efficiency to post excellent results for FY19 - 20. During the year, company strengthened its core business and scaled up the balance sheet size significantly which resulted in augmenting the core income. Company also enhanced its retail business segment and forayed into Debt Capital Market (DCM) business as arrangers of primary issuances of Corporate Bonds. Your company posted Profit before Tax of Rs. 249.81 crore in FY 20, which is a 200% increase from a PBT of Rs. 83.02 crore posted in FY19. The company remained adequately capitalized during the entire year and capital adequacy ratio as on March 31, 2020 stood at 32.47% as against RBI's minimum stipulation of 15%. Your company also fulfilled its obligations as a Primary Dealer in both primary and secondary market during the year.

Dividend:

Most of the shareholders are interested in knowing about the dividends. In this regard, I am pleased to announce that for the FY20, the Board of Directors has recommended a dividend of 30%, which is the highest ever dividend payout since the year of inception. Your company achieved yet another milestone as the net worth of your company surpassed Rs. 1000 crore mark. As on March 31, 2020, company's net worth stands at Rs. 1002.19 crore as against Rs. 885.66 crore as on March 31, last year. Going forward, your company shall continue to strive, making best use of its competencies, to boost the bottom-line and shareholders' value further, in the years to come.

Forward Guidelines:

The ongoing COVID19 crisis has been unprecedented challenge for individuals, organizations and the whole nation. The global economy is expected to contract by 4.9% in 2020 according to International Monetary Fund World Economic Outlook. The domestic economy underwent record contraction of 23.9% in the first quarter of FY21 and is likely to contract by 10% in the full FY21. The economic scenario remains extremely uncertain and normalization of economic activity remains contingent on the management and unfolding of the COVID

crisis. Demand and investment sentiment have undergone a severe shock and it would require continued support from the government for both to revert back to life. Amidst the crisis, your company invoked the Business Continuity Plan and operated seamlessly without any disruptions in operations. Your company is charting a growth path and we intend to make this journey strong and sustainable with the right mix of a strong team and strategies, aided with technological enhancements. We are confident that with guidance of our team of Directors, a dynamic and proactive management and the trust of our stakeholders like you, your company shall weather the ongoing turbulence and chart greater heights in the years to come. We want to acknowledge on behalf of company, I would like to take this opportunity to extend my sincere gratitude to all the stakeholders for their unrelenting patronage and belief in the company and its initiatives through all these years. The interests of shareholders have always been company's prime focus, and we will endeavor to maximize value for all our shareholders. I thank my colleague Directors for their invaluable suggestions and guidance. I would also like to thank all valued clients and the parent bank for their wholehearted patronage and incessant support & cooperation. I place on record our gratitude to Reserve Bank of India, SEBI, Stock Exchanges, FIMMDA and the Primary Dealers' Association of India (PDAI) for their continued guidance to the company. I finally acknowledge the dedicated service of all the employees of the company and their passionate involvement in building a stronger and vibrant organization. I would be failing my duty if I don't recognize the guidance and full involvement of the Board of Directors of the company who have contributed a lot in taking a big leap in the current year in spite of adverse situation across the country.

Thank you.

Now I request Monika to take the charge.

Monika Kochar: Thank You Sir. Before we proceed further, I am pleased to bring to your notice that, as required under the Companies Act, 2013, the company had provided you all the facility to cast your vote electronically, on all resolutions set forth in the notice. Members who have not cast their vote

electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by NSDL. Members may also please note that there will be no voting by show of hands. We now take up the resolutions as set forth in the notice of the AGM. We will open the floor for any questions or agenda items by members after all the resolutions are tabled.

Now, following are the items as set out in the notice convening the meeting. The objective and rationale of the same are explained in the explanatory statement attached to the notice.

Item No. 1: To receive, consider and adopt the financial statements of the company for the year ended March 31, 2020 and the Reports of Directors' and Auditors' thereon. These have already been provided to the members.

Item no. 2: To declare dividend on Equity Shares for the year ended March 31, 2020. Your Board has recommended a final dividend of 30% i.e. Rs. 3/- per equity share of Rs. 10 /- each for the FY19 - 20.

Item No. 3: To appoint Director in place of Sh. Vikas Goel, who retires by rotation and being eligible, seeks reappointment.

Item No. 4: To authorize the Board of Directors to fix remuneration of Statutory Auditors of the company appointed by the Comptroller & Auditor General of India (CAG).

I may inform that in terms of Section 139(5) of the Companies Act, 2013, the CAG of India has appointed M/s Rasool Singhal & Co., Chartered Accountants as Statutory Auditor of the Company for FY21 as well. As such, the shareholders may authorize the Board of Directors to fix the remuneration of Statutory Auditors, as appointed by CAG of India. Next item is

Item No. 5: To approve alteration in Articles of Association of the Company.

The e-voting facility at AGM at NSDL platform will be activated for members who are participating in this meeting and have not voted through remote e-voting until 29th of sept till 5 PM. This e-voting facility will remain active till 30 minutes after the meeting. Before we commence the Question/Answer session, I may inform you that we will begin with those members who have pre-registered themselves

as speakers for the meeting. If any member desires to ask any question pertaining to any item on the notice, he/she may do so now on the chat box. Please note that the company reserves the right to limit the number of members asking questions depending on the availability of time. Members are once again requested to keep their questions brief and specific. I now request the moderator to commence the Question/Answer session. Thank you.

Deeba: Thank You Monika. So, before the commencement of the question answer session, I would like to reiterate that the time allocated would be 3 minutes for each of the question and our Chairman would be responding to each of the question simultaneously, as when they are taken up. The first question is from Mr. Amit Adeshra. Sir can you hear us? Mr. Amit Adeshra

Amit Adeshra: Yes, Speaking madam. Can you hear me?

Deeba: Yes, Sir, we can hear you, please go ahead.

Amit Adeshra: Ok. Thank you very much Madam. First of all, good morning and very thanks for the opportunity given to me Madam. I would like to congratulate first and foremost to Mr. Vikas Goel and his team for excellent work you have delivered last year. Sir, I have some points to be discussed for the betterment of the company as the extraordinary situations we are arranging this meeting at the end of the 30th of September. I would request to distribute the dividend little faster so that it was done in last time it was in the august meeting. Right Sir. Second thing is regarding dividend. Dividend was fantastic but being a trading company, we don't require much of the money for to be distributed. So better you give us 50% dividend instead of 30% dividend. I think by taking this type of step our companies will be recognized in the market and it will help our shareholders value. Thank you very much Sir.

Deeba: Thank you so much Sir.

Mr. Adeshra: Thank you.

P. P. Pareek: We have noted your suggestion. As you know that this, we are in the path of growth and we require some money with us looking to the present situation in the economy. Your suggestion as we have noted. We will look into this in the future dates.

Deeba: I hope that answers your questions Sir. Next online is Mr. Anand k Patel. Please go ahead with your question Mr. Patel. Mr. Patel, can you hear us?

Anand K Patel: Hello.

Deeba: Please go ahead with your question. Mr. Patel, can you hear us? Sir, you are not audible. Sir, if you have difficulty reaching out to us you can please enter your question in the chat box. We can take it up later on. Mr. Patel. I think we are having some issue. We move on to the next speaker shareholder. Mr. Shrinivas Adikesar. Mr. Adikesar please go ahead with the question.

Shrinivas Adikesar: Yes, thank you.

Deeba: Yes Sir.

Shrinivas Adikesar: I am audible?

Deeba: Yes sir. You are audible.

Shrinivas Adikesar: Thank you. Thank you Chairman

P. P. Pareek: Welcome.

Shrinivas Adikeshar: And all Board members and Auditors, Secretarial Auditors, everyone, Ms. Monika Kochar also. I have small query with respect to the note 33 of the financial statements - exceptional items, Rs 81 crores have been taken as deductions or whatever it has been. Profitability has been impacted to that extent on account of write up of proposal of some non-

payment of principal and interest by DHFL and RHFL. My question is whether these proposals, before write-off, have the appropriate approval are taken up by the Board or whether it is by shareholders or government or parent company or otherwise or whatever. Second is whether proper due diligence was made before issuing these loans every year and so on. Any Independent Director dissented to write off these proposals and subsequently any legal efforts are being made before write-off of these proposals. That's it. Thank you.

Deeba: Thank you.

P. P. Pareek: I will be giving the reply and if there would be any shortcomings, my M.D we will support me.

Shrinivas Adikesar: Sure Sir. Thank you.

P. P. Pareek: As you know that the as you all are aware, worthy shareholders; provisions are to be made on the basis of prudential norms vis-a-vis the particular situation of a company at the particular time, when we are drawing our accounts. These two companies which you have mentioned, here the rating has gone down and after a lot of deliberation in the Board meeting, this provision, there was a debate whether we should provide for or whether we should write off at all. But as a prudence and conservatism and looking to the present performance of the company, we thought it proper that we should write it off in this year itself and accordingly the decision was taken. Second, to the best of my memory. Company Secretary will correct me - there was no dissenting note from any of the Director.

Monika Kochar: Yes Sir.

P. P. Pareek: As far as legal action is concerned, company is taking full care of that and following it with all of the probable possible offices from where we can exert our pressure and can generate the funds. But as you all know that our company in the money market thing and this type of accidents should not occur but may occur at any time and when it occurs we have to take corrective steps

and to strengthen more, whatever the internal practices are there and I feel that we are we have done, the company management and we all have done very well and still we are following it up and there are good chances of recovering, not full money but the part of good share of money will be coming to us but as I said, being a conservative accounting system we followed this practice and we want that we should rather than carrying the bomb to go more deeper into that we thought it proper to take the correct step immediately. This is what I feel. If M.D. wants to say something, he can also support the answer.

Vikas Goel: Sir, as Pareek Ji just said that it was with adequate consultation and with a conservative approach. But, in addition to that, just to answer, the second and third question, at a time when the investments were made, appropriate approvals were taken. At the time, when investments were made, both the bonds were AAA. As you said, it was a quick event, happened in the last 1-1.5 years, where credits of NBFCs particularly deteriorated very fast. And the rating downgrade happened within the matter of a month. So, it became very difficult to try to exit the position. We tried our level best to exit. Even when that was not possible, upon default, we took the conservative steps, as Pareek Ji pointed out. In terms of our legal options, we are operating through debenture trustees of both DHFL and RHFL bonds. DHFL is now under corporate insolvency as you are aware. Resolution professional has been appointed under IBC, thus we obviously will be treated pari passu with all other creditors. In terms of RHFL, the debenture trustee is with NCLT and we reserve our rights through our trustees and we will be treated pari passu with all other creditors or at least all the bond holders. So, our approach is to do via debenture trustees and we are not doing bilateral. So, we are pari passu with all the other debenture holders and working with debenture trustees on both, RHFL and DHFL. Hopefully, Sir, we answered the questions. So, our effort continues to recover, as Pareek Ji pointed out, and we are reasonably sure of getting it, some amount of principal back. So, at this moment, we are reasonably sure of getting some amount back. The question of how much amount, obviously we will get to know as the resolution process etc. unfolds and RHFL is early as yet. But we are also reasonably confident that we will get some amount back. And if we do, whatever we get back, it will go straight to the bottom-line.

P. P. Pareek: I would only like to add further that after this incident, we have revisited all our systems and tightened further. So, as I said, when you are on road, accident can happen. But we are strengthening more of our internal controls and proper checking and proper feedback from the market so in the future, this type of happening could be minimized. This is the first step on the part of the management.

Deeba : Thank you sir.

Shrinivas Adikesar: Thank you all. Thank you for the wonderful performance.

P. P. Pareek: Thank you, Srinivas Ji.

Deeba: The next question is from Mr. Ajay Kumar Jain. Mr. Ajay Kumar Jain is not here Sir. He has left.

The next speaker is Mr. Apurva Patel. Mr. Patel is not here. We will try Mr. Patel again.

Apurva Patel: Can you hear me?

Deeba: Yes, Mr. Patel. Please go ahead.

Apurva Patel: First and foremost, congratulations for good results and financial performance for the last financial year.

P. P. Pareek: We are unable to hear you. Speak a little loudly and keep your mic near to you.

Apurva Patel: Can you hear sir?

P. P. Pareek: Yes sir.

Apurva Patel: Congratulations for good financial performance in the last financial year.

P. P. Pareek: I could not hear it.

Deeba: Sir, there is some issue with the clarity. I will request you to type your question in the chat box so that we can take it up.

Apurva Patel: Can't write in chat box.

Deeba: Sir, you can mail the question to us. We will answer it back bilaterally.

Apurva Patel: Yes. Ok, No problem.

P. P. Pareek: Now your voice is clear, if you can speak. What you say, no problem with your voice.

Deeba: Sir, we can have your question now. Sir.

P. P. Pareek: He is gone. Next.

Deeba: Some connectivity issue. Alright.

Apurva Patel: Can you hear me Sir.

Deeba: Sorry Sir, there is issue with clarity. Ok. So, all the questions by our speaker shareholders have been answered. And now, I will read the questions raised by non-registered speaker shareholders through our chat box. The questions will be taken up now, will be those which have not been discussed earlier and I request Chairman Sir to respond to the questions that I will be reading out one by one.

So, the first question is from Mr. Naresh Gupta and Mrs. Manju Gupta. They want to know the future plan of our company and if they can expect that in the future,

company AGM/EGM would be held by video conference only to save the time and money of the company and the shareholders and all over India shareholders can also participate in the AGM, if the AGM is by video conference?

P. P. Pareek: Repeat the question once again. I could not hear your voice.

Deeba: Sir, Mr. Naresh Gupta and Mrs. Manju Gupta would like to know the future plan of the company and they want to know if in future also, the AGM would be conducted by video conferencing as it saves a lot of time and resources?

P. P. Pareek: As we have given in our Board Report, the future planning of the company and the company is exploring new areas to earn more income for the shareholders and that has been well explained in the Board Report. If you have any specific questions, then we will be answering, I would be requesting my M.D. to support me. We have approved the business plan for the next year, tentatively and the final plan meeting is yet to take place. And we are looking into the new areas of operations from where we can earn good profit with minimum possible risk and you would be knowing it, if you go through the Board report in which we have given our future plans. If you have any specific issue, then we can answer. And what was the second question?

P. P. Pareek: Yes, the AGM! It is a good suggestion. We will discuss this, and I think it is an ideal situation as more shareholders can participate in the AGM. That is a good suggestion. We will consider it.

Deeba: Alright Sir. Sir, the second question is from Ms. Rekha Bhatia. She wants to know any plans to merge the company with PNB and any buyback of the shares from the shareholders.

P. P. Pareek: Till, as on date, we have no such plans and we can't say about the future.

Deeba: Ok. So, the next question is by Ms. Kala Modi and she wants to know if they can expect one press release along with the quarterly results so that they are

able to be updated with the highlights on a quarterly basis, and then she also wants to know which two companies we have written off? Which two bonds have been written off?

P. P. Pareek: That is there in the notes but M.D. Sahab will give the complete names of both these companies.

Vikas Goel: Madam, the two companies are Deewan Housing Finance Ltd. (DHFL) and Reliance Home Finance Limited (RHFL). These are the two companies whose bonds we have written off totaling Rs 81 crores, including principle as well as interest, last year. And the first point is a good suggestion. We will henceforth attempt to give a press release along with our quarterly results as well as annual results to highlight what happened in the quarter. We will do that. That is a good suggestion.

Deeba: Then the next question is by Aniruddha Dange. He is congratulating us for the excellent performance this year and he is recommending distributing 70-80% dividend and have a formal dividend policy for high dividend payout.

P. P. Pareek: Your suggestion is good. We are working on that and there is a policy as far as dividend distribution policy is concerned. But it requires some modification and changes looking at the present scenario and the risk ahead as visualized by us. Permission is given by Audit Committee first and then the Board.

Vikas Goel: Pareek Ji, may I add one more thing?

P. P. Pareek: Yes. you add it.

Vikas Goel: Mr. Dange, just to update you, regulatorily, there is a Reserve Bank of India regulation. I cannot distribute more than 50% of PAT. So, the maximum possible which I can distribute is 50%. So, that has been kept in mind. That is a regulatory constraint. So, I cannot go up to 70 or 80 percent. I have to do 50 and if I have to go beyond 50, then I require specific approval from Reserve Bank of

India, explaining why I need to do that. So, essentially, in the normal course of business, it will be maximum of 50% of PAT.

Deeba: The next question is by Mr. Pankaj. Considering a numerous devolvement happening in the last one month, what are its broad implications on primary dealers and what portfolio strategy will the company adopt in the foreseeable future?

P. P. Pareek: I will request our MD to reply this.

Vikas Goel: Mr. Pankaj, there is a signaling going on from the Reserve Bank of India to the market and from market back to the Reserve Bank. The Reserve Bank is via these devolvments, signaling its discomfort with yields going up. It wants to keep yields low so that the Government's borrowing program in the second half of this year proceeds smoothly. From our perspective right now, since the signals are not effective, in terms of these devolvments, four devolvments as well as outcomes in OMOs, we are fairly defensive. There is a lot more events which are going to happen, including the second half borrowing calendar of the Government and the postponed MPC. We will wait to see the outcome of these two events before taking a much more firm view. As it stands right now, we are fairly defensive going into the second half of the year from tomorrow.

Deeba: The next question is by Mr. Pradeep Kale. He says that instead of paying dividend, why company isn't paying its debt or buyback equity?

P. P. Pareek: What is the question? There is no question.

Vikas Goel: Pareek Ji, let me read this out again. The question is from Mr. Pradeep Kale. What I think he is trying to ask is why isn't the company paying its debt or buying back equity instead of paying dividend? Why don't we consider buying back equity or pay down our debt?

P. P. Pareek: To be very frank, how does paying dividend and buy back are related? I could not understand the relationship. If you could understand, you could give a reply. I think these are two completely different things altogether.

Vikas Goel: I will answer that. Mr. Kale, as you have seen the growth in balance sheet, we have grown our balance sheet in the last about 1.5 years, by about 3 times. So, we are looking to grow our balance sheet for which we need capital and most of our capital is through retained earnings and since there are opportunities to grow further, we would not want to go and reduce our capital base by buying back equity. In terms of paying down debt, we have no debt outstanding. We have no tier 2 capital outstanding. So, there is no question of paying down debt. It does not exist. Essentially, we are looking to grow further from here and we would like to augment our capital base rather than reduce it.

P. P. Pareek: I would also like to add. Are you over or do you want to speak more?

Vikas Goel: No Sir.

P. P. Pareek: I want to add more. Whether we pay dividend or whether we do not pay it, the intrinsic value of your investment goes up. So, your money is going up, whether you are receiving in cash or whether it is in the books. So, you should be happy that your intrinsic value vis a via the market value of your share is going up. This is only my suggestion. As far as running of the Company is concerned, the manner, which is more beneficial to the shareholders, is always the prime motive of the Board. Accordingly, we plan, whether to pay, how much dividend we should pay within the permissible limits, and what we require to plough back for the future. Keeping those things in mind, we balance the dividend declaration. But yes, as the earlier speaker has also wanted to increase the percentage of dividend, the Board will certainly look into that. That is what we can say.

Deeba: Pranay Jhaveri from JNJ Holdings. Congratulations on good payout and great results. Good luck for the future.

P. P. Pareek: Thank you.

Deeba: I think all the questions have now been answered. And if any of our shareholders feels that the questions are still unanswered, you can email the same to Company Secretary at m.kochar@pnbgilts.com and you will get reply after the AGM. With this, we conclude the question answer session and I will hand over the proceedings to our Company Secretary.

Monika Kochar: Thank you Deeba. Members may please note that the voting on the NSDL platform will continue to be available for the next 30 minutes. Therefore, those who have not cast their vote yet are requested to do so. Your Board of Directors has appointed Mr. Ankit Singhi, Practicing Company Secretary bearing CP No. 16274, as the scrutinizer to supervise the e-voting process. He is available here. Further, the Managing Director & CEO has been authorized to declare the results of the voting, which will also be posted on the company's website and on the websites of NSDL, NSE and BSE within statutory timelines. The resolutions, as set forth in the Notice of AGM, shall be deemed to be passed today subject to receipt of requisite number of votes. Now I request the Chairman to declare the meeting closed.

P. P. Pareek: Before I close the meeting, I would like to place on record and thank my colleague Directors who have spared their valuable time and have guided the company so well in the last year. I am thankful to the management for sparing time and I am most thankful to all the shareholders who participated in the meeting and gave their good suggestions and ideas with regards to growth of the company. With this, I thank you all, the staff members, executives, my colleague Directors for their Guidance, Officers of Punjab National Bank which is our parent bank. And with this, I hereby declare the proceedings as closed. Thank you very much and see you next year. Thank you.