

**Transcript of
25th Annual General Meeting of
PNB Gilts Limited
held on 20.09.2021**

Commenced at 11:00 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 25th 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 11:00 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 mobile hotspot may experience 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, the facility of participation at the AGM through video conferencing 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 circulars of 8th & 13th April 2020 and January 13, 2021 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for 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. 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 requests from eight members for registration as a speaker shareholder in the AGM today. All those shareholders 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 mike will be opened by the moderator of this meeting. You will also have to unmute mike 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 they have any, in the communication box provided. The Chairman would be responding to the queries at the end of question answer session. If some query is left unanswered due to paucity of time, then the member can post it again or can also email the same at m.kochar@pnbgilts.com for reply afterwards.

I may now inform you that your Board has appointed Sh. Swarup Kumar Saha, Executive Director – Punjab National Bank as Non-Executive & Non-Independent Director on the Board of Directors of the Company w.e.f. 18th June, 2021. In terms of Article 98(2) of the Articles of Association of the Company, Sh. Saha is the Chairman of the Board. With this, I hand over the proceedings to Sh. Saha, Chairman of the Company. Over to you sir.

Swarup Kumar Saha: Thank you Monika and Good Morning to all of you. 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 and authorized representatives in this 25th Annual General Meeting of your company. I hope each one of you is safe and healthy. Technology has provided extraordinary solutions to us and hence, in this unprecedented time of the Covid-19 pandemic,

we are able to meet you through video conferencing. The company has made all required efforts 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.

Before I proceed further, I would like to introduce to you my colleagues on the dais and also those who are attending the meeting, through VC. I would request each Director to acknowledge when I introduce him or her. To my right, Mr P.P. Pareek, Independent Director and Chairman of Audit Committee, Nomination and Remuneration Committee and CSR Committee. Further to his right, Mr. Vikas Goel, Managing Director and CEO of the Company. Then is Mrs. Monika Kochar, Company Secretary. To my left is Mr S.K. Kalra, Independent Director and Chairman of the Risk Management Committee. Further to his left Mrs Uma Ajay Relan, Independent Director and Chairperson of Stakeholders Relationship Committee. Then next to her is Shri Ashutosh Choudhary, Non-Executive and Non-Independent Director. He is also Chief General Manager and Group Risk Manager of Punjab National Bank. Further Dr T.M. Bhasin, Independent Director and Chairman of Share Transmission and Issue of Duplicate Shares Certificates Committee has joined the meeting over VC from New Delhi. Apart from them, we also have senior management present here; Representatives of Statutory Auditor, Rasool Singhal & Co., Secretarial Auditor, Pranav Kumar & Associates and Internal Auditor, Lodha & Co. have also joined this meeting through VC.

Before we take up the items as per the Notice, I would like to share with you the general outlook for the primary dealer industry and performance of the Company during FY '21. The notice calling the 25th Annual General Meeting of the Company and the audited annual financial statements for the year ended 31st March 2021, together with Auditors' and Directors' reports thereon have been with you for quite some time now. There were no qualifications or observations or adverse comments or remarks in the reports of the statutory auditor, CAG and Secretarial Auditor. With your permission, all these are being taken as read. Before mentioning the salient features of the Company's performance during the year under review, I consider it obligatory on my part to apprise all of you with the key developments in the Indian economy and the general condition in the money and securities market in particular. The FY 2021 proved ruthless in terms of monetary and distress as the spread and virulence of the covid infections took a severe toll

on human lives across the world. The economic impact of the pandemic was unprecedented as lockdown at both domestic and global level sapped demand for goods and services. Domestic economic activities suffered gravely during Q1, as weakened demand and supply imbalances pushed GDP growth into deep negative territory. The Indian economy saw an acute contraction of 24.4% during Q1 FY2020-21. With the lifting of nationwide lockdown and decline in covid cases, the Indian economy picked up pace during the festive season, posting growth of 0.4% and 1.6% during Q3 and Q4 respectively. However, the Indian economy posted the first contraction in 4 decades with real GDP declining by 7.3% YoY, during FY2021.

The crisis of an unprecedented magnitude was countered with policy measures that were preemptive, quick and far-reaching. The policy measures across the globe were characterized by additional fiscal spending, liquidity injections, and relief packages, both general and targeted. In India, the monetary policy response was expansive and effective in elevating the impact of the crisis on the economy. RBI unleashed a host of measures largely aimed at infusing liquidity in the system and maintaining genial conditions in the financial markets. RBI has also rolled out several forbearance measures, aimed at mitigating the distress among citizens and businesses. The Government focused on additional countercyclical fiscal spending to offset the economic slowdown even at the expense of deterioration in its finances. The fiscal deficit for FY2021 stood at 9.3% of the GDP as against the previous year's fiscal deficit of 4.6%. Amidst the aforesaid macroeconomic conditions, the 10-year yield touched a high and low of 6.50% and 5.73% respectively and closed the year at 6.18%.

I now come to the Company's performance. I am pleased to state that your Company touched a new milestone and reached the highest PBT during FY20-21, despite operating in a highly challenging and uncertain environment. The record profit was driven by a robust increase in core business income. Your Company posted a PBT of Rs. 614.35 Cr in FY 20-21 which is 1.6% higher than PBT of Rs. 249.81 Cr posted in FY 19-20. The Company remained adequately capitalized during the entire year and the capital adequacy ratio as of 31st March 2021 stood at 45.58% against RBI's minimum stipulation of 15%. Your company also successfully fulfilled its regulatory mandate as a primary dealer in both primary and secondary markets during the year. This year's achievement would not have

been possible without the continued trust of our stakeholders who have reposed their faith and contributed towards the building of a vibrant organization. Your Board declared the first interim dividend at 30% on Nov 10, 2020, second interim dividend at 40% on February 04, 2021. I am pleased to announce that the Board of Directors has recommended a final dividend of 30%, which if approved in this Annual General Meeting, will make it the highest ever dividend payout at 100% since inception. As of 31st March 2021, the net worth stands at Rs. 1305.69 Cr as against Rs. 1002.19 Cr as of March 31, 2020. Going forward your company stands committed to striving to make the best use of its competencies to improve the bottom line and the shareholders' value further in the years to come. Every challenge is a root to unlock new opportunities and growth. The post covid era has only reinforced our belief in this. The learning has been immense as we learned to function in a manner, which would have seemed implausible in normal times. We invoked our business continuity plan, continued our operations in a non-disruptive way without compromising with the wellbeing of our employees. We refashioned our marketing endeavors to stay connected with our clients and provide them with high-quality services. The new financial year brought no respite as the pandemic resurfaced and showed us its worst phase during April to May. The worst seems to be over and the situation looks controlled with a healthy pace of vaccination in the country. Economic activity is also normalizing though unevenly. The real GDP bounced back in the first quarter of FY 2021-22. The outlook for the global economy also remains mixed, as the recent pickup in Delta variant cases seems to have slowed the economic recovery. Amidst this scenario, the normalization may take some more time. To ensure that the recovery becomes more broad-based and durable, the RBI is cautious in unwinding the accommodative monetary policy despite inflation being in the upper reaches of the inflation target band of 2% to 6%. The fiscal health of the Government has improved considerably on account of buoyant tax revenues which has helped calm the bond markets. Your company is well-positioned with a healthy balance sheet. We intend to continue charting the growth path that we envisage for ourselves and for our stakeholders. With the right blend of a strong team and strategies leveraged with appropriate technological enhancements, we are confident that with the guidance of our Directors, dynamic and proactive management and the trust of our stakeholders your company shall continue to deliver value in the years to come.

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 interest of shareholders has always been the company's prime focus and we will endeavor to maximize value for all our shareholders. I thank the Directors for their invaluable suggestions and continuous guidance. I also thank Mrs. Sunita Gupta, who served the company for 18 years and has superannuated as the Executive Director and CFO on 31st August 2020.

I would also like to thank all valued clients and the parent bank for their wholehearted patronage and incessant support and cooperation. I place on record, gratitude to the Reserve Bank of India, SEBI, Stock Exchanges, FEMDA and the Primary Dealers Association of India 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 a dynamic organization. Thank you.

Before proceeding further, I may inform you that as required in the Companies Act 2013 and SEBI guidelines, the company has provided you with the facility to cast your vote electronically on resolutions set forth in the notice. Members who have not cast their vote electronically and who are participating in this meeting will have the opportunity to cast their votes through the e-voting system provided by NSDL. Members may please note, there will be no voting by show of hands.

We now take up the resolutions as set forth in the Notice. We will open the floor for any questions by members after all the resolutions are tabled. Now, the following are the items as set out in the notice convening the meeting. The objective and rationale etc. of the same are explained in the explanatory statement attached to the Notice.

Item number 1- To receive, consider and adopt the financial statements of the company for the year ended 31st March 2021 and the reports of the Directors and Auditors thereon. These have already been provided to the members.

Item number 2- To declare a final dividend of Rs 3 per equity share of Rs 10 each for the year ended 31st March 2021.

Item number 3- To appoint Director in place of Shri Vikas Goel, who retires by rotation and being eligible seeks re-appointment.

Item number 4- To authorize the Board of Directors to fix remuneration of Statutory Auditors of the company appointed by the Comptroller and Auditor General of India. I may inform that in terms of Section 139 (5) of the Companies Act 2013, the CAG of India has appointed Ms Rasool Singhal and Co., Chartered Accountants, as Statutory Auditor of the company for FY 21-22. As such, the shareholders may authorize the Board of Directors to fix the remuneration of Statutory Auditors as appointed by CAG of India.

Item number 5 relates to my appointment. Therefore, I request Shri P.P. Pareek to take up this matter.

P.P. Pareek: I have given the honour to propose the appointment of Shri Swarup Kumar Saha Ji Sahab, as a Director in this Company.

- To appoint Shri Swarup Kumar Saha as a Director. He is the Chairman of your Company.

Now I request Mr S.K. Saha to take up the remaining items.

Swarup Kumar Saha: Item number 6- To appoint Shri Ashutosh Choudhary as a Director.

Now I hand back to the Company Secretary to take the proceedings further.

Monika Kochar: Thank you Sir. Shareholders, the e-voting facility at AGM at NSDL has already been activated for those Members who are participating in this meeting and have not voted through remote e-voting. This e-voting facility will remain active till 30 minutes after the meeting.

Now before we commence the Question Answer session, I may again inform you that we will begin with those members who have pre-registered as speaker 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 communication 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 and Answer session. Thank you.

Deeba Hasan: We have first question from the line of Mr. Amit Rameshchandra Adeshra. Mr. Adeshra. Mr. Adeshra. I think he is not available. We are moving to the next one.

Deeba Hasan: Mr. Jaskirat Singh. Mr. Singh. Are you there. He is there.

Jaskirat Singh: Sir, the Company has done well last year. However, I feel the value that it gives to the stock market is not what it should give. To my knowledge there is little and ill-informed news coverage. There was only one news coverage of the best annual results of the company that I could find and that was in Business Standard for March results. June results also, there was only one news coverage. Please pay attention to get positive media coverage for the good work being done as perception matters a lot in the stock market.

Deeba Hasan: Ok sir. We have next question from the line of Mr. Saket Kapoor.

Saket Kapoor: Sir, we need better understanding on the dynamics of the business and its dependence on G-Sec on revenue profile. This can be done through investor concalls/investor presentations/educating the investor on business segments. What are the variable factors affecting our earnings. Please provide clarity on Cost of funds. Opportunity cost that goes into it. What step the Government is taking to deepen that market? We have heard many statements that the Government is working to deepen the market in a fashion where more participants can participate but that has not happened. What are the key reasons? Why the bond market is not deepened and why is this hindrance not adhered to Sir? We need better understanding on the base that the investor should look at and the variables affecting the business and how our earnings

trajectory will be impacted. Please look into our request of providing us better clarity better understanding of the numbers on a better platform Sir. In an AGM, it is not feasible for me to ask as many as 5-10 questions and expect answers from the management within a span of two 2-3 minutes. So, I request to open a forum for us to have a better deliberation, better understanding, give us a better understanding of the business. And that's all from my side. Thank you.

Swarup Kumar Saha: Thank you, Mr. Kapoor.

Deeba Hasan: Thank you so much, Sir. I suppose we do not have the other speaker shareholders with us right now. So, we'll request the Chairman to kindly respond to the questions that we have received.

Swarup Kumar Saha: Yes. Thank you for your questions. As far as the question of Mr Jaskirat Singh regarding the movement in the share prices, actually, we are, as you all know, it's a primary dealer company. We try to improve the basic health of the company and with some of the market dynamics are not in our control. But yes, the suggestion that has come regarding much more interaction with the investors and how we can improve our press coverage, whatever good things we are doing. Yes, it should be presented to stakeholders and shareholders. We will internally deliberate on that and we are working on that so that we can improve our coverage and on our performance in a much better way. As far as Mr Kapoor's question is concerned, which of course was about awareness creation, we, as I said for Mr Singh's question, will work internally on the suggestion that yes, we need to improve awareness on how we can have investor con-calls and how we can, I guess we should also focus on the consistent performance. We are internally deliberating on that, and we will find as we go forward. But certain results are on the market dynamics also. So, the fluctuations in the yields also sometimes have impact on our performance but we have taken note of your suggestion regarding the consistency of the performance, which we will really try to maintain. The share price of course, had a fluctuating time; it went up to Rs 94.65 also as on 30th June. So, we feel that though the market we don't have much control on the market dynamics but over the last one year, we have done reasonably well but we can do much more on that aspect. And regarding the cost of funds, the banks and the Company's cost of funds, the average cost of funds for FY 2021 stood at 3.3%, which is much lower than 5.28% during FY 2019-20. The

suggestion on the retail investors for G-SEC- Yes, this can be taken care of in accordance with the regulatory norms. There was a question on the chat regarding the strategy of the company to show profits, being given a rising interest environment. We are, we will be trying to show performance, at least maintain the performance of the last year as we are a strong risk management team also. The Board Governance also has improved quite substantially, and we expect that we will show reasonably good results and maintain the continuity of last year results as well.

Deeba Hasan: So, we have a question by Mr Pranay Jhaveri. He wants to know about how leverage will evolve going forward and he also wants to know about the status of SREI Equipment Finance.

Swarup Kumar Saha: As far as SREI is concerned, it is now fully provided for, in June '21 quarter results, the status quo that was that has been taken care of. As far as the question of leverage is concerned, I will ask Mr. Goel to please take care of the question.

Vikas Goel: As Saha Ji mentioned, our endeavour is to take advantage of all the opportunities available to us as the market evolves. As you are aware that rates while coming down now have stabilized. Our focus is on building our balance sheet to go up. The expansion, if you see our 2020-21 balance sheet, we are looking to expand our balance sheet essentially in low-risk assets, which basically mean short duration securities or short-tenured securities. That is one. Second, as Saha Ji mentioned, we have an excellent team in place, both on the trading and risk management side. So, the intent is to take advantage of transient trading opportunities to lay or gear the interest income which comes from increasing our leverage. So that is the way forward.

Deeba Hasan: Thank you, Sir. With this, we conclude our question-answer session

Saket Kapoor: May I ask one follow-up Ma'am.

Deeba Hasan: Ya Yes please.

Saket Kapoor: *Jo leverage hai, usko thoda detailed karke batayein ke kaise dekhte hain aur kya trajectory hai earnings ki hamari is warsh ke liye hamari. Dhanyawad Sir.*

Vikas Goel: Kapoor Ji for obvious reasons, I cannot give the nature of our business, we can guide you at least from the numbers based on June results. As you can see, in June results if you compare sequentially; If you notice in quarter four, and you had mentioned also that essentially, and you may recall that normal February, I don't know whether they started what is called variable rate, reverse repo program, 7-8 lakh Cr of excessive liquidity, certain amount of papers up to 3-4 years going up, which is where we were positioned and that resulted in that loss in quarter four and then came back to us in the first quarter. We build short term book, basically, what we call duration or average tenure or between two to three years that will give us interest income. Just to give you a little guidance on our cost of funding, as an equivalent of banks we are allowed to borrow from call/term/notice etc. Most of our funding is overnight. It's secured via market repo or triparty or with the Reserve Bank. And our cost normally is, if you are reading the newspaper, you read about MIBOR (Mumbai Interbank Offered Rate), which is the overnight rate, at which banks lend to or borrow from each other in the interbank market. Our borrowing cost or cost of funding normally is MIBOR minus 10 to 15 basis points. So currently MIBOR is about 335, our funding cost would be about 325. And the only guidance I will give you if you look again, publicly available data, if you look at 2–3-year Government securities at their yields, they range from T-bills at about 340 to five years at about 560. So, essentially, T-bills are basically up to one year, and five years as I said, is five-year security, 563 to be precise. That is roughly at about 560. So, you can take an average of about 4.5 in between. So, this is publicly available data, and you can at least look at our balance sheet size and work with these numbers to get a feel for where interest income should be. Having said that, again, the numbers, this is just an estimate from publicly available numbers. Our endeavour is to build a stable book, but we are constrained. We are on Indian Accounting Standard (Ind AS). So, our entire book is a trading book or mark-to-market. Therefore, we are exposed to mark-to-market on daily basis. Our endeavour is to reduce the trading losses by keeping interest income intact and which is what precisely happened if you see sequentially in quarter one of this year. So, essentially, we had a trading loss, but our interest income was much more roughly at about Rs 90-95 Cr for the quarter

and our trading loss was about Rs 35 Cr on that portfolio, the carry portfolio. And as a result, we had a PBT of about Rs 51 Cr. So, the endeavour is to build on that and there are transient opportunities in the market to trade particularly spreads. So, it's not only that we deal in government securities; we also deal in state development loans. We also are an active player for your information, in corporate bonds; we are number four on the arrangers' list. So, essentially, we have been concentrating on sales, on fee income, on dealing in SDLs etc to de-risk or try to mitigate the risk of rising interest rates and its impact on our balance sheet. So, that is essentially what we are looking to do going forward.

Saket Kapoor: Thank you Sir. Namaskar Sir and we look forward for press and investor con call Sir. That should be one of your endeavours Sir to educate your investors going forward. That was my last suggestion, Sir. If the Board looks into the merit of their shareholders being informed, proposed quarterly numbers, about the business update. There is a lot of queries from the investor community because only AGM should not be the forum through which a shareholder comes and ask concerns and suggestions. Please look into it sir. You can hold investor meet or concall so that investor can have chance to interact with directors.

Swarup Kumar Saha: We have noted your suggestion on the Board level. We will see this.

Deeba Hasan: Thank you Mr Saket. We have questions coming in the chat box that is Please increase payout ratio to 50% instead of 40%.

Swarup Kumar Saha: Repeat the question.

Deeba Hasan: Please increase payout ratio to 50% instead of 40%.

Swarup Kumar Saha: For the company, we have strong fundamentals. For Dividend, we feel internally that fundamental before any dividend consideration is also to take care of or to absorb any future difficulties. In view of scenario in current debt market, we are keeping it at Rs 3 this time.

Deeba Hasan: Mr Urvijay Shah has shared a few queries. One is that what is our strategy to increase our market share? And secondly, he is asking that with retail investors foraying in, how will it impact us?

Vikas Goel: On the market share, your company is now very clearly the number two bond house in this country, after, I will name it's good to be number two because then you will know who you need to beat. It's ICICI Primary Dealership, which is ahead of us. We are clearly number two. Behind us is SBI DFHI and HDCI and there are other foreign PDs whose business model is totally different. So, we are always endeavouring to benchmark against ICICI SEC PD, and our endeavour remains constant. In terms of market share, we were roughly at 4% of the market last year. I think that number has increased slightly. So, about 5% is the number now, and the endeavour always is to try to increase market share. However, at least our endeavour is to look at profitability much more than market share. In my mind, it's far more important to be profitable rather than just go after market share for the sake of market share. So, we keep that in mind, and we balance the two. In terms of the second question on the retail site, The Reserve Bank is starting a platform directly. So, for retail investors, essentially, you can open an account with Reserve Bank and the platform will be there to trade directly. There have been some conversations with us by Reserve Bank in terms of how we can contribute etc. So, we will be liquidity providers on that platform in terms of quoting two-way prices etc. And individual investors can open accounts with Reserve Bank and or at least early stages that is what it is looking like, and you can then on that platform buy or sell securities. I think that question was raised and specifically so, essentially, it is Reserve Bank's endeavour, and we will be liquidity providers. Our model per se is the institutional and wholesale model and it does not lend itself well to doing retail business. But we will be providing liquidity. I mean, that is the early thoughts on this subject. So, essentially, when you go on a platform, you will see a market maker like us quoting you in small lots in certain securities, you know, Rs 5 lacs- Rs10 lacs so on so forth. So that we will be doing. That will be our contribution. Will it impact our business? To begin with, our business is institutional and wholesale. So, it will not substantially impact. It will only add to the richness and variety and width of the market, which is an excellent endeavour, which we need to pursue wholeheartedly.

Deeba Hasan: Thank you, Sir. So, now we have with us online, our shareholder speaker, Mr J. Abhishek. Mr Abhishek, you can kindly unmute yourself and ask the question.

Abhishek. J: Just a second sir, just a second. Can you hear me? Am I audible?

Vikas Goel: Yes Abhishek, you are audible.

Abhishek. J: Sir my name is Abhishek, the shareholder of the company. My DP ID IN301637/41359155. Sir, first of all, I congratulate the management on the eve of the 25th Annual General Body Meeting. This is our silver jubilee year as the shareholders are having a lot of expectations around the management. I hope the management will fulfil the wish and desire of the minority investor fraternity in the years to come. Thank you. Sir, trust all is well with you and your family in this challenging situation. Our company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brands in our respective segment. Sir, I would like to know more business has got impacted during the pandemic times in the past two years. The Coronavirus and subsequent lockdowns have left virtually no industry. So any employees have been sacked? Higher salary cut in percentage, if any, I would like to know from you. What are the cost-cutting initiatives being done by the management or what is the salary cut being taken by the management during the pandemic's time? So, what are the steps being taken by the management to reduce other expenses, legal and professional charges, and audit fees? I myself and my team are running a legal firm in the name of 7 Wells Associates in Chennai.

Deeba Hasan: Abhishek Ji, could you please speak a little bit slowly so that we can also understand.

Abhishek. J: Yes. Sure. Other legally the legal expert says I have asked about madam. Myself and my team are running a legal firm in the name of 7 Wells Associates in Chennai. So, I request you to kindly enrol our firm in the empanelment of the company and we will be glad to extend our services, Sir. Sir in the NSDL portal, while we get to exercise e-voting and we get access to the Annual General Body meeting, you are supposed to update the inspection of

documents like Register of Members, Register KMP and Register of contracts, if any Sir so if you can just provide the link to our email ID or if it is provided as in the website, it is easy for the shareholders to access them. Nothing much to ask you Sir. We are the well-wishers of the company. And this is the 25th Annual General Body Meeting, our silver jubilee year. I would like to honour our Chairman and Managing Director with the Memento and a Shawl but since the annual general body meeting are being conducted virtually for the past two years and we are not able to meet you physically, I will send it as same through courier. So, you can just share the company's contact details with me so that immediately the consignment is sent. I can share the consignment details with the company Secretary through phone or email. So, please, coordinate. Nothing much to ask Sir. I wish the Company and the Board of Directors great success and prosperity in the coming future. I thank the Company Secretary and her entire team for conducting this Annual General Body Meeting virtually and making this 25th Annual General Body Meeting a grand success. Thank you very much. Thank you for giving me the opportunity, Thank you.

Swarup Kumar Saha: Regarding your queries on the technical front, I will request my Company Secretary to get in touch with him for whatever issues are, as per the procedures.

Deeba Hasan: We have a query by Mr Amit Adeshra. He basically wants to know about the Employee Benefit expenses of the company.

Swarup Kumar Saha: Well, it is available on the Balance Sheet. We can separately reply to the question. This we will reply very specific as it is a specific query. OK.

Deeba Hasan: Sure Sir. The next question is by Mr Vikas Wahi. He wants to enquire about company's projection for the coming five years. Company's business projections for the coming five years. Mr Vikas Sir.

Swarup Kumar Saha: Good Morning Mr. Vikas. It is very difficult to actually predict in the activity that we are in, but we will try to do our best. If you see our comparison of March 2020 and March 2021 on all perform on all the basic key efficiency parameters, the company has improved substantially, whether it is on the profitability, whether it is on the capital adequacy, whether it is on the

interest coverage and it on funds. So, our endeavour would be to maintain this consistency and do all our best with a strong Governing Board that we have and the strong risk management measures that we have taken, we expect that the company will continue to meet the expectations of the stakeholders.

Deeba Hasan: Yes Sir. So, we have two more questions coming in. So, one is a very specific question by Mr Pranay Jhaveri. He wants to know that in case of cancellation of issue of g-sec by govt., any downside for us as we are one of primary dealer.

Monika Kochar: J. Abhishek is speaking.

Deeba Hasan: Yes. I've muted him. I think he was done with a question. Yes. So, Mr. Pranay Jhaveri wants to ask that in case of cancellation of an issue by of G-SEC by the Government, is there any downside risk for us for our business as a primary dealer?

Vikas Goel: So, if there is a cancellation, there is no downside risk, except in terms of how the market reacts to it. If the market reacts negatively to the cancellation, then obviously, we may potentially lose money. On the other hand, markets also sometimes react positively. So, in that case, we can make money. But per se cancellation as opposed to evolvment, there will be no impact upon us. It's just the cancellation of the auction. So whatever underwriting fee, which is there, as an underwriter, as we are a primary dealer, it's an obligation to underwrite Government issuances. That fee we will not make. That is the only actual loss. Any other loss depends upon how the market behaves and how it impacts our existing portfolio.

Deeba Hasan: Yes. Next, Mr. Urvijay Shah wants to ask that we saw the stake divestment in PNB housing during the year, and also there are rumours about a company being on the block. Is it true?

Swarup Kumar Saha: No such discussion as of present.

Deeba Hasan: I think we can conclude the question-answer session now. And in case the shareholders still feel there are any unanswered questions they can mail

it to M.Kochar@pnbgilts.com. And now I will request the company secretary to take over the proceedings of the meeting. Thank you

Monika Kochar: Members may please note that the voting on the NSDL platform will remain available for the next 30 minutes. Therefore, those who haven't yet cast their vote are requested to cast it. Your Board of Directors has appointed Mr Ankit Singhi, practising Company Secretary bearing CP number 16274 as the scrutinizer to supervise the E-voting process. The result of voting will be declared within prescribed timelines and the same will also be posted on the company's website and on the websites of NSDL, NSE and BSE. The resolution as set forth in the notice of AGM shall be deemed to be passed today, subject to receipt of the requisite number of votes. Now I request the Chairman to declare the meeting closed.

Swarup Kumar Saha: Thank you, Monika. I once again thank all the shareholders for attending this meeting and also giving their valuable suggestions to the company for improvement. I also thank my Board colleagues and the staff members for making this meeting successful. I now declare the proceedings as closed. Thank you very much and see you next year.