

**Transcription of the  
28th Annual General Meeting of  
PNB Gilts Limited  
Held on 20.09.2024**

**Moderator (Priyanka Thapar) :** A very Good Morning to all of you. I am Ms. Priyanka Thapar, Vice President, PNB Gilts Limited and I will be taking up the moderation of this meeting.

For now, I will request Ms. Monika Kochar, company secretary to take over the proceedings of the meeting.

**Monika Kochar:** Thank you, Priyanka. Good morning to all of you. I welcome you all on behalf of your company, PNB Gilts Limited to its 28th 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 prior to the scheduled time of commencement, which is 11:00 a.m., 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 the internet with good speed to avoid any kind of disturbance during the meeting. Participants connecting through mobile hotspots may experience audio-video loss due to fluctuations in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of risk or technical glitches.

As mentioned in the notice, the facility of participation at the AGM through VC has been made available for 1,000 members on a first-come, first-serve basis, except for the large shareholders, promoter, institutional investors, directors, key managerial personnel, the Chairman of the audit committee, nomination and remuneration committee, stakeholder relationship committee, as well as the auditors who are also allowed to attend the AGM without any restriction on this first-come, first-serve basis. Pursuant to various circulars issued by MCA and SEBI, the facility to appoint a proxy to attend and cast votes 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 and cast their vote 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 11 members for registration as a speaker shareholder in the AGM today. All those shareholders have been provided specific links to log in to this meeting, and we shall be allowing them to speak once the Chairman directs the same.

We request the speakers to limit their speeches to three minutes for the benefit of other shareholders. At the end of two minutes, you will hear a prompt in the form of a bell sound. You may start concluding your remarks at this sound. After three minutes, another prompt in the form of a bell sound will be released, and the moderator will take up the next question thereafter. 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, and you will have to unmute your mic and start giving your views or opinions or comments. Non-registered shareholder speakers who are attending this meeting through VC today can also express their views and raise your questions if you have any in the communication box provided.

The Chairman would be responding to the queries at the end of the question-answer session, and if some queries left unanswered due to paucity of time, then the member can post it again or can also email the same to me, that is at [monika.kochar@pnbgilts.com](mailto:monika.kochar@pnbgilts.com) for a reply afterwards.

I may inform that in terms of Article 98(2) of the Articles of Association of your Company, Shri Kalyan Kumar is the Chairman. With this, I hand over to the Chairman. Over to you, Sir.

**Shri Kalyan Kumar:** Thank you, Monika. Good morning. 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 28th Annual General Meeting of your company, which is being held through video conferencing. Your company has made all required efforts to enable the members to participate at the meeting through the VC 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 the director and company secretary to acknowledge when I introduce him.

Along with me, MD and CEO, Shri Vikas Goel Ji, Shri Amit Srivastava ji and Madam Monika, our Company Secretary, and those directors who are attending through VC,

Dr. T.M. Bhasin, Independent Director and Chairman of the Nomination and Remuneration Committee and Stakeholders Relationship Committee; Mr. Gopal Singh Gusain, Independent Director and Chairman of the Audit Committee, Risk Management Committee and IT Strategy Committee; Dr. Neharika Vohra, Independent Director.

And apart from them, we also have Mr. P. Sunil, Deputy CEO, Mr. Vijay Sharma, SEVP, Mr. Chandra Prakash, CFO, Mr. Neeraj Agrawal, Head of Internal Audit and other staff members present here.

Representatives of Statutory Auditor, Batra Deepak and Associates, and Secretarial Auditor, Pranav Kumar and Associates 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 Indian economy and the performance of the company during the financial year 24.

The notice calling the 28th Annual General Meeting of the company and the audited annual financial statements for the year ended 31st March 2024, 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, CAG and Secretarial Auditor, which have any material bearing on the functioning of the company. With your permission, all these be taken as read.

A very warm welcome to all of you at the 28th Annual General Meeting of your company. It is my pleasure to be here today and share the company's progress with you. Before I discuss the notable performance of the company for the past year, I want to update you on the significant developments in the Indian economy and the prevailing conditions in the money and securities market.

India's economy has been notably resilient amidst the past year's global inflation and supply chain constraints. India's economy has been notably resilient amidst the past year's global inflation and supply chain constraints. India's real GDP grew by 8.2 % in FY24, exceeding 8 % mark in three out of four quarters of FY24. Strong growth in the

manufacturing sector, higher-than-expected agricultural output, and robust government spending have made India the world's fastest-growing major economy.

Following the pandemic shock in FY2020-21, the government increased the fiscal deficit to 9.2% of GDP but has since been working towards fiscal consolidation. The fiscal deficit of the Union Government has decreased from 6.4% of GDP in FY23 to 5.6% of GDP in FY24. The decrease was a result of strong expansion in both direct and indirect tax revenues, which can be attributed to strong economic activity and improved adherence to tax regulations. Furthermore, we anticipate a sustained increase in the holdings of long-term investors such as insurance, pensions, and provident funds, aligned with the growth of the nominal GDP. India's inclusion in the global bond index might also lead to greater demand for bonds. There is a possibility of demand surpassing supply in the government bond market over the next two years. India's Inflation trajectory has improved tremendously reducing from 6.7 % in FY 2022-23 to 5.4 % in FY 2023-24 though it didn't get much attention due to volatile and generally high food prices which kept the headline CPI inflation elevated for most part in FY-24.

During the financial year 2023-24, the bond market remained volatile throughout the year but finished on a strong note. After a year of concern of inflation & recessionary risks, market expectations for a soft-landing drove strong performance.

### Company's Performance

Your Company delivered an all-round improvement in financial performance during the year.

During FY 2023-24, the money market rates were under pressure due to persistent deficit of liquidity your Company witnessed rising funding costs. Under the aforementioned circumstances, your Company posted a PBT of ₹98.81 crore and a PAT of ₹69.41 crore as on March 31, 2024. Company's NOF increased by 6.08 per cent from ₹1238.06 crore as on March 31, 2023, to ₹1313.35 crore as on March 31, 2024.

Despite the challenges faced by the Company during FY 2024, I am glad to state that your Company remained adequately capitalized with a capital adequacy ratio (CAR) of 34.01 per cent as on March 31, 2024 (31.83 per cent as on March 31, 2023), against RBI's minimum stipulation of 15 per cent. I am pleased to inform you that your

Company continues to make a difference by supporting numerous social and environmental initiatives through its CSR activities. Company contributed an amount of ₹ 6.21 crore during financial year 2023-24 (against ₹ 6.48 crore during financial year 2022-23) towards various agencies and trusts working in the field of healthcare and environmental conservation.

### Now I would speak something about Forward Guidance

For the bond markets in particular, the last three years have been challenging, with the rising inflation wave seen post Covid (driven by supply disruptions and oil price volatility), and a period of global Central Bank rate hikes. Going forward, many factors hint at a potential downward trajectory for Indian bond yields.

A combination of factors — index inclusion, rate cuts and fiscal prudence — could boost the bond market in financial year 2024-25 (FY25), this augurs well for company's performance.

Your Company is well positioned with a healthy balance sheet and capital base. With the right combination of a solid team, tactics, and technological advancements, we plan to keep paving the growth route that we envision for both ourselves and our stakeholders. We have faith that your company will continue to provide value in the years to come thanks to the direction of our directors, a dynamic and proactive management team, and the confidence of our stakeholders.

### Acknowledgements

Taking this opportunity, I would like to express my sincere gratitude to each and every shareholder for their years of support and faith in the company and its endeavors. The company has always prioritized the interests of its shareholders, and we will work to optimize value for each and every one of them. I express my gratitude to the Directors for their invaluable advice and on-going support. Additionally, I would like to express my gratitude to the parent bank as well as all of our esteemed customers for their unwavering support and cooperation. I would like to express my gratitude to the Primary Dealers' Association of India (PDAI), FIMMDA, and the Reserve Bank of India for their ongoing support of the company. To conclude, I would like to express my gratitude to every employee of the company for their committed work Company and their passionate involvement in building a stronger and dynamic organization.

## Conclusion

The broad business outlook for PNB Gilts Ltd. remains positive, and your Company is looking to leverage the many growth opportunities available to it. Your continued support will help the company to realize the goal.

Thank you, Ladies and Gentlemen for your time and attention.

Before proceeding further, I may inform you that as required under the Companies Act 2013 and SEBI guidelines, the company has provided you 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 e-voting system provided by NSDL. Members may please note that 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, 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, 2024 and the Reports of Auditors' and Board of Directors' thereon.

These have already been provided to the members.

- Item No. 2 : To declare final dividend of Rs. 1/- per equity share of Rs. 10/- each for the year ended March 31, 2024.
- 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 Auditor(s) of the company appointed by the Comptroller & Auditor General of India (CAG) for FY 2024-25.

I may inform that in terms of Section 139(5) of the Companies Act, 2013, the CAG of India is yet to appoint Statutory Auditor of the Company for FY 2024-25. As such, the

shareholders may authorize the Board of Directors to fix the remuneration of Statutory Auditors, as and when appointed by CAG of India.

Since the next item relates to a related party transaction, I would request Dr. T.M. Bhasin Sir to take this up.

**Dr. T.M. Bhasin:** Thank you, Sir.

- Item No. 5 : To approve existing as well as the new material related party transactions with promoter/or associates of promoter.

Now I hand over the proceedings back to Chairman Sir.

**Kalyan Kumar:** Thank you, Sir. Now the Company Secretary will brief you on e-voting and question and answer session.

**Monika Kochar:** Thank you, Sir. The e-voting at the AGM at NSDL platform has already been activated for those members who are participating in this meeting and have not yet voted through remote e-voting. This e-voting facility will remain active till 30 minutes after the meeting. Now, before we commence the question-and-answer session, I may again inform you that we will begin with those members who have pre-registered themselves as speaker for the meeting. If any member desires to ask any question pertaining to any item on the notice, he or 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 with the question-and-answer session. Thank you.

**Moderator:** We have our first question from the line of Santosh Chopra. That is our speaker number one. Santosh Chopra, please proceed with your question.

**Santosh Chopra:** Hello. Hello.

**Kalyan Kumar:** Yeah, you are audible. Please go ahead.

**Santosh Chopra:** Oh, thank you



**Kalyan Kumar:** Yeah, you are audible. Please go ahead with the question.

**Santosh Chopra:** Okay, thank you very much, Sir. Hello. Sir, I am Santosh Chopra.

**Monika Kochar:** Sir, please proceed.

**Santosh Chopra:** I am Santosh Chopra, a senior citizen from Delhi-NCR Ghaziabad and have invested my family funds in PSU companies like yours.

I am thankful to the Company Secretary and his entire team for giving me the opportunity by listing me as a speaker and sending the link. I congratulate the company for its good results and for winning various awards. Sir, please continue the VC meeting as it facilitates the senior citizen investors to attend easily.

As most of my queries have already been covered by the Chairman Sir, I'll limit my queries to a few.

Sir, any impact of the union budget on the operations of the company?

What is the capex in the next two to three years?

What is the Whistle-Blower policy of your company?

Whether your CSR activities include providing nature calamity sufferers?

And finally, Sir, amongst the peer group where PNB Gilts stands.

Last but not the least, I wish management, all executives and our workforce and my co-shareholder speakers happy festivities season, including Dussehra and Diwali. God bless you. May the company prosper further and reward the shareholders smoothly. Thank you very much.

**Moderator:** Thank you, Sir. Thank you. Next. Next question from the line of Harminder Kaur, our speaker number two. Harminder, please continue.

**Harminder Kaur:** Hello.

**Moderator:** Yes, ma'am, please continue.

**Harminder Kaur:** Yeah. Yeah, morning everyone. It's been a very long association as a shareholder of the company, and I really appreciate the company's performance besides the volatile market last year. I really hope for the best and good as well.



Sir, my question is, how do the company look forward to giving better dividends in future to the shareholders?

**Kalyan Kumar:** Better? Dividends. Okay, please go ahead.

**Harminder Kaur:** That's it, Sir. Thank you

**Moderator:** Thank you. Thank you, ma'am. The next question is from the line of Santosh Bhutani and MP Bhutani.

**Santhosh Bhutani and Mahender Pal Bhutani:** Thank you for the opportunity. Regarding the annual report, I would like to thank the team of CS for a very informative annual report and the accurate comparisons made, and well in time. Our section has been covered in a transparent and lucid manner. Sir, I am extremely confident that the leadership team of PNB Gilts Limited will hit more significant milestones and take the company to the next phase of growth. Sir, we as a shareholder feel very happy and proud to be a member of the PNB Gilts shareholder family.

Our share is appreciating from the last year. If you compare with last year's rate and today's trading rate, it is appreciating. Sir, my general question is, what are some of the challenges and opportunities that you foresee in the coming time? And your strategy to navigate internal and external challenges? Sir, what about the AI platform? Is this platform benefiting to our company, to our bank, to PNB Gilts? Sir, I would appreciate if you could briefly reply, and I wish to the company PNB Gilts all the best for the future and hope to see a healthy growth in business and size of the company. May God fulfil all your wishes and keep you all happy, healthy, and safe.

*Sir, agar ham baat karte hain viksit Bharat ki, to Pradhanmantri ka jo vision hai usko aage le ke chalte hain to iske kayi chunautiyan, kayi mushkile bhi hain aur hame viksit Bharat ki or apne kadam desh ne badhaye hue hain aur bahut jald, ham 5th, vishwa ki arthvyavstha hain, jisko 3rd arthvyavastha ki or pahunchana hai. Lakshya 2027 hai. PM ka vision bahut hi bada hai kyunki teesri baar ek Pradhanmantri Jawahar Lal Nehru ke baad 3rd term mein Modi Ji bane hain aur 3 guna takat ke sath desh ko aage le kar badhenge. Ye hamein ummeed hai aur ye hamari jo company hai PNB Gilts, ye apne mukaam mein, acchi udaan mein, acchi pehchan me le jaane ke liye poora samaksh hai aur aage le kar bhi jayega.*

*Mere sath ye Santosh bhutani Ji hain. Mein M. P. Bhutani. Ye apni aage baat rakhenge.*

**Santhosh Bhutani:** Namaste to all. I am joining this meeting from New Delhi. A warm welcome to all the board members and the management team. I have only two questions to ask. Number one is the steps to increase the asset quality, credit rating, and profitability. And second, is your value creation roadmap for two years. I support all the resolutions. What else? Thank you. Thanks to all.

**Moderator:** Thank you. Thank you, sir. Thank you, ma'am. We don't have any other registered shareholders right now as a speaker.

**Kalyan Kumar:** Any questions on inbox, or no? So, may I start answering? Okay. Thank you.

The first question is regarding Santosh ji, the impact of budget on the company, and also whether the CSR activity of the company captures natural calamity. And where does PNB Gilts stand among peer groups? Naturally, Santosh Ji, you will agree with me that, India is a happening country, and it is growing leaps and bounds, and we are looking at becoming *viksit* by 2047. And as the budget is CapEx-oriented, it is going to impact the overall economy, and certainly, this company will also not be an exception. And that will also certainly impact this company's performance.

Regarding the CapEx of the company, we are committed to providing growth to this company, aligning with the growth dynamics of the country. There also, wherever required, we will actually certainly invest in our, means bringing more efficiency in our functioning, and also all areas, our operations, and also people we are going to invest.

Regarding CSR activity, natural calamities are captured or not? I'm not sure if you can say.

**Shri Vikas Goel:** As of now, sir, we have been concentrating on environment, health, and education, three sectors. So specifically, up till now, no natural calamity has happened where we could contribute. Having said that, under the environment pillar, if and when God forbid, something comes up, we will be the first one to stand up and contribute, because we already cover it under the environment.

**Shri Kalyan Kumar:** Not under natural calamity, okay. Among peer group, PNB Gilts is, you are aware your company is a shining star, and only listed PD. In that way, this company is actually only listed PD.

Regarding better dividends to the shareholders, the company is committed to providing better dividends. I know this year we have provided a 10% dividend as against the maximum permissible 21% per equity share. But as you are aware our market conditions were very volatile, and though there are green shoots, you must be observing, Fed has cut the rate, but impact, how it is going to impact our economy, it is time will decide.

There are a lot of volatility, but as the company's position is robust, in my inaugural address, you must have heard that the capital adequacy ratio, has improved significantly. Your company is resilient, it's strong. In the coming days, we must expect better dividends the company will provide to its shareholders.

Regarding the third question by, say, MP Bhutani Ji, challenges and opportunities in current time. A very interesting and very important question, Bhutani Ji. There are a lot of challenges, a lot of upheavals, a lot of geopolitical tensions impacting the overall global supply chain, and also as more and more economies are interlinked now, it is being impacted.

India can't be aloof from it. India's condition will also, will be impacted through that. It opens up a lot of challenges, but with the kind of experience that your company is having, the kind of leadership your company is having, certainly, we will be able to sail through very strongly in this turbulent and challenging time, because we have very good expertise in terms of our people asset, and we are investing them also, so that we will be able to come up with those challenges.

And naturally, these challenges and the changing times also open up opportunities. We also are going to start this, our Forex business, one new business also, so that if, because we are committed to maximising your value as your important shareholders, they are in a new area of business also. Very soon we are going to launch, which will add value towards profitability. And certainly, in the market, we are visualizing that certainly we will make good profit in the coming days.

Certainly, support us in bringing more resilience and robustness to our company. Regarding use of AI, your question was there. Certainly we can't remain away the way the world is actually moving.

That will also be part of our modernization plan, how we can leverage upon, how we can assist our clients also to make better investment, to get better yield. There, based upon those patterns and all, certainly our able committees will deliberate and whenever

it will be required, we will also utilize this AI and other challenging things which are actually happening in our country and also across the globe.

Regarding your third question, improvement in asset quality and profitability, that is actually our core area where we always focus upon. We don't have any issue related to asset quality and profitability you must have seen because it is market driven, interest rate driven. So certainly now we are visualizing that in coming days will be very good for investment portfolio and certainly your company will make huge profit and company is having a strategy for next one year, two years. We are having a roadmap for that and accordingly, I am sure with these strategic steps, company will actually make good profit and certainly you all shareholder will also get the benefit out of it.

Thank you for your question and also interest in this company. Thank you.

**Moderator:** I think all the questions have now been answered. If any of you feel that your question is unanswered, then you can email the same to Company Secretary at [monika.kochar@pnbgilts.com](mailto:monika.kochar@pnbgilts.com) and you will get reply after the AGM. With this, we conclude the question-answer session. Now I hand over the proceedings to the Company Secretary.

**Monika Kochar:** Thank you, Priyanka. Members may please note that the voting on NSDL platform will remain available for next 30 minutes. Therefore, those who haven't yet casted your vote are requested to do so. Your board of directors have appointed Mr. Ankit Singhi, Practising Company Secretary bearing CP number 16274 as a scrutinizer to supervise the e-voting process. The results 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 shall be deemed to be passed today subject to the receipt of requisite number of votes. Now I request the chairman Sir to please declare the meeting closed.

**Shri Kalyan Kumar:** 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 esteemed 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.

**Monika Kochar:** Thank you