

May 27, 2019

<p>The Manager – Listing National Stock Exchange of India Ltd. Exchange Plaza Bandra Kurla Complex Bandra (E), Mumbai -400051</p> <p><u>Scrip Code: PNBGILTS</u></p>	<p>The Manager – Listing DCS- Listing The Stock Exchange, Mumbai Phiroz JeeJeebhoy Tower Dalal Street Mumbai- 400 001</p> <p><u>Scrip Code: 532366</u></p>
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REG: Audited Financial Results for the quarter and year ended on 31.03.2019 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')

Dear Sir / Madam,

This is in reference to our letter dated 20th May, 2019 wherein we had informed that the meeting of the Board of Directors of the company will be held on 27th May, 2019 to, inter alia, approve the audited financial results for the quarter and year ended on 31st March, 2019 and to consider the recommendation of dividend for the financial year 2018-19, if any.

Pursuant to the applicable provisions of Listing Regulations, we wish to inform you that the Board of Directors of the Company in its meeting held today i.e. 27th May, 2019, has approved the audited standalone financial results for the quarter and year ended on 31st March, 2019. We would like to inform you that the Report of the Auditor is with unmodified opinion with respect to the Audited Financial Results of the Company for the quarter and year ended 31st March, 2019.

We therefore, enclose the following –

- Audited Financial Results of the Company for the quarter and year ended 31st March, 2019.
- Auditors' report in respect of audited financial results for the year ended 31st March, 2019.
- The declaration pursuant to Regulation 33(3) (d) of the Listing Regulations


Further, in the same meeting, the Board has recommended a final dividend of Rs. 1.40 per equity share i.e. 14% for the financial year 2018-19, subject to declaration in the AGM of the Company. If declared in AGM, the payment of dividend or dispatch of dividend warrants will be completed within 30 days of declaration.

The Board meeting commenced at 11:00 a.m. and concluded at 7:35 p.m.


Kindly take the same on record and also note that the results are also being published in Newspapers and posted on the website of the Company in accordance with the Listing Regulations.

Thanking You,

Yours truly,
For PNB Gilts Ltd


(Monjika Kochar)
Company Secretary

May 27, 2019

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Subject: Declaration of Unmodified Audit Report pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Annual Audited Financial Results for the financial year ended on 31st March 2019

Dear Sir (s),

In terms of SEBI Circular Nos. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare that the statutory auditors of the Company, M/s Rasool Singhal & Co. (FRN 500015N), Chartered Accountants, have issued their audit report dated May 27, 2019, with unmodified opinion on the audited financial results of the company for the quarter and year ended on 31st March, 2019.

Kindly take the above declaration on record.

Thanking you

Yours sincerely
For PNB Gilts Ltd.


(Vikas Goel)
Managing Director & CEO



PNB GILTS LIMITED
(CIN: L74899DL1996PLC077120)
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Statement of audited financial results for the Quarter and Financial Year ended 31 March 2019

(Rs. In Lacs)

S.No.	Particulars	3 months ended			Year ended	
		31-03-2019 (Audited)	31-12-2018 (Reviewed)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
	Revenue from operations					
	Interest income	9,796.37	9,032.06	7,673.38	36,236.49	32,943.14
	Discount income	5,042.37	4,715.07	2,391.36	14,012.97	7,138.17
	Dividend income	0.23	-	0.31	2.26	6.34
	Rental income	1.50	1.50	-	4.20	-
	Net gain (Realised & Unrealised)	-	6,389.50	-	280.21	-
	Fees and commission income	53.73	56.45	54.43	243.29	140.72
(I)	Total revenue from operations	14,894.20	20,194.58	10,119.48	50,779.42	40,228.37
(II)	Other income	7.11	5.34	12.51	21.92	16.49
(III)	Total income (I+II)	14,901.31	20,199.92	10,131.99	50,801.34	40,244.86
	Expenses					
	Finance costs	11,500.29	10,586.19	7,769.12	40,343.67	33,072.20
	Fees and commission expense	158.10	162.91	76.42	535.16	467.34
	Net loss (Realised & Unrealised)	275.70	-	494.96	-	5,095.61
	Employees benefit expense	253.90	151.89	198.78	714.04	610.47
	Other expenses	453.80	140.58	493.34	864.04	818.86
	Depreciation, amortization and impairment	11.53	11.63	14.80	42.36	48.50
(IV)	Total expenses	12,653.32	11,053.20	9,047.42	42,499.27	40,112.98
(V)	Profit/(loss) before exceptional items and tax (III-IV)	2,247.99	9,146.72	1,084.57	8,302.07	131.88
(VI)	Exceptional items	-	-	-	-	-
(VII)	Profit/(loss) before tax (V-VI)	2,247.99	9,146.72	1,084.57	8,302.07	131.88
	Tax expense/(credit):					
	(1) Current tax	368.47	1,275.82	575.68	1,644.29	1,879.10
	(2) Earlier year taxes	82.63	(2.18)	4.00	80.55	4.00
	(3) Deferred tax	2,567.27	(1,454.97)	(145.53)	1,291.45	(1,892.65)
(VIII)	Total Tax expenses	3,018.37	(181.33)	434.15	3,016.29	(9.55)
(IX)	Profit/(loss) for the period from continuing operations(VII-VIII)	(770.38)	9,328.05	650.42	5,285.78	141.43
(X)	Profit/(loss) from discontinued operations	-	-	-	-	-
(XI)	Tax expense of discontinued operations	-	-	-	-	-
(XII)	Profit/(loss) from discontinued operations (after tax) (X-XI)	-	-	-	-	-
(XIII)	Profit/ Loss for the period (IX+XII)	(770.38)	9,328.05	650.42	5,285.78	141.43
(XIV)	Other comprehensive income					
	A.(i) Items that will not be reclassified to profit or loss					
	-Remeasurements of defined benefit plan	(83.57)	(0.54)	(0.72)	(85.21)	(5.14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	29.77	(0.34)	1.80	29.77	1.80
	Subtotal (A)	(53.80)	(0.88)	1.08	(55.43)	(3.34)
	B (i) Items that will be reclassified (specify items and amounts)	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Subtotal (B)	-	-	-	-	-



	Other comprehensive income (A+B)	(53.80)	(0.88)	1.08	(55.43)	(3.34)
(XV)	Total comprehensive income for the year (comprising profit/ (loss) and other comprehensive income for the year) (XIII+XIV)	(824.18)	9,327.17	651.50	5,230.35	138.09
(XVI)	Earnings per equity share (for continuing operations)					
	Basic (Rs.)	(0.43)	5.18	0.36	2.94	0.08
	Diluted (Rs.)	(0.43)	5.18	0.36	2.94	0.08
(XVII)	Earnings per equity share (for discontinued operations)					
	Basic(Rs.)	(0.43)	5.18	0.36	2.94	0.08
	Diluted(Rs.)	(0.43)	5.18	0.36	2.94	0.08
(XVIII)	Earnings per equity share (for continuing and discontinued operations)					
	Basic(Rs.)	(0.43)	5.18	0.36	2.94	0.08
	Diluted(Rs.)	(0.43)	5.18	0.36	2.94	0.08

Earnings per equity share for three months ended figures are not annualised.

NOTES

1. The Company has adopted Indian Accounting Standards ('Ind AS') notified u/s 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 from 1 April 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2017 and the corresponding figures presented in these results have been restated/ reclassified.

There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS-101.

2. The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 27, 2019.

3. Reconciliation of results between previously reported (referred to as "Previous GAAP") and Ind AS for the corresponding quarter ending and year ended figures for 31.03.2018 is presented as under:

PARTICULARS	(Rs. In Lacs)	
	Figures for 3 months ended (Audited)	Figures for the year ended (Audited)
	31-03-2018	31-03-2018
Net Profit after Tax as reported under previous GAAP	1,090.87	3,657.58
Fair Valuation change in investments	(701.53)	(5,730.92)
Adjustments on account of employee loans at concessional rates	1.20	0.86
Adjustment for deferred tax	139.32	1,880.01
Adjustment for prior period expenses	121.64	330.56
Actuarial loss on employee defined benefit plan recognised in 'Other Comprehensive Income' as per Ind-AS 19	(1.08)	3.34
Net Profit after tax as per Ind-AS	650.42	141.43
Other Comprehensive Income, net of tax	1.08	(3.34)
Total Comprehensive Income	651.50	138.09



4. As required by paragraph 32 of Ind AS 101, equity reconciliation between the figures reported under Previous GAAP and Ind AS is as under. (All figures are net of related tax impacts)

PARTICULARS	(Rs. In Lacs)
	As at 31.03.2018 (Audited)
Equity as reported under Previous GAAP	88,126.18
Adjustments increasing/(decreasing) equity as reported under Previous GAAP	
- Fair valuation of investments	(3,669.65)
-Adjustment for prior period expenses	(45.68)
-Adjustments on account of employee loans at concessional rates	(3.29)
-Adjustments on account of deferred taxes	1,299.44
Equity as reported under Ind AS	85,707.00

5. The Board has recommended a final dividend of Rs. 1.4 per share (nominal value Rs.10/- per equity share) for the year 2018-19, subject to the approval of shareholders in Annual General Meeting. The total dividend outflow (including dividend distribution tax) for the year amounts to Rs. 3038.16 lacs only.

6. As on 31st March, 2019, secured loans (including market repo) of Rs. 6,05,352.97 lacs comprise Rs. 33,500.00 lacs under Refinance from RBI Rs. 88,000.00 lacs under RBI's LAF facility, Rs. 24,500.00 lacs under RBI's Term LAF facility, Rs. 91,952.08 lacs under CBLO and Rs. 3,67,400.89 lacs under repo facility. Unsecured loans of Rs. 2,18,038.97 lacs comprise of call money Rs. 1,29,960.00 lacs and Line of Credit facility from Punjab National Bank of Rs. 88,078.97 lacs.

7. As on 31st March, 2019 the total trading stock of Rs. 881771.57 lacs comprise of government securities (including treasury bills) of Rs. 658798.71 lacs, Rs. 266.78 lacs of equity, Rs. 64765.01 lacs of Certificate of Deposits and Rs. 157941.07 lacs of bonds and debentures.

8. Capital adequacy ratio as on 31st March, 2019 stands at 36.59% as against RBI stipulation of 15%. Net owned funds of the company stand at Rs. 88565.77 lacs as against the minimum stipulated capital of Rs. 25000.00 lacs. Return on networth for the year 2018-19 stands at 6.11%.

9. As per Ind AS 19 issued by the Institute of Chartered Accountants of India, the company has made provision for employee benefit as per the actuarial valuation for the current year.

10. Figures of the previous period have been regrouped, wherever considered necessary in order to make them comparable with those of the current period.

11. Figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

12. Position of complaints from investors as on 31st March, 2019 is given below:

(a) Complaints pending at the beginning of the current quarter	NIL
(b) Complaints received during the quarter	7
(c) Complaints disposed off during the quarter	7
(d) Complaints pending as on 31.3.2019 (all since redressed)	NIL

13. The credit rating of the company as on 31st March, 2019 is A1+ for the Rs. 2.5 billion Commercial Paper Programme and also A1+ for the Rs. 5 Billion Commercial Paper Programme as done by CRISIL and ICRA respectively. There is no change in the credit rating of the company.

14. The debt-equity ratio of the company as on 31st March, 2019 is 9.28:1.

15. The Net Profit after Tax as on 31st March, 2019 is Rs. 5285.78 lacs. The Total Comprehensive Income amounts to Rs. 5230.35 lacs.

16. As on 31st March, 2019, the Earnings per Share is Rs. 2.94/-

17. Company is engaged primarily in the business of trading in securities and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment

18. Performance Linked Incentive paid in FY 2018-19 amounting to Rs. 45.68 lacs pertaining to FY 2017-18 has been adjusted from FY 2017-18. Similarly, Performance Linked Incentive paid in FY 2017-18 amounting to Rs. 208.92 lacs pertaining to FY 2016-17 has been adjusted from the retained earnings of April 01, 2017



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19 Statement of audited financial results for the Year ended 31 March 2019

	(Rs. In Lacs)	
	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	20.52	36.48
Bank balance other than above	10,559.88	10,556.21
Derivative financial instruments	37,467.43	751.45
Loans	5,257.34	151.41
Investments	8,81,771.57	4,99,865.36
Other financial assets	16,341.40	11,729.87
Total Financial Assets	9,51,418.14	5,23,090.78
Non- financial assets		
Current tax assets (net)	306.59	458.15
Deferred tax assets (net)	97.42	1,359.10
Investment property	28.41	12.78
Property, plant and equipment	228.79	266.40
Other intangible assets	29.19	0.29
Other non-financial assets	95.48	42.29
Total Non-Financial Assets	785.89	2,139.01
TOTAL	9,52,204.04	5,25,229.79
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	38,721.80	781.83
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	72.44	19.98
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Borrowing (other than debt securities)	8,23,391.94	4,36,865.40
Other financial liabilities	809.83	976.51
Total Financial Liabilities	8,62,996.01	4,38,643.72
Non financial liabilities		
Current tax liabilities (net)	69.18	557.53
Provisions	347.61	265.21
Other non-financial liabilities	24.01	56.33
Total Non-Financial Liabilities	440.80	879.07
Equity		
Equity share capital	18,001.01	18,001.01
Other equity	70,766.21	67,705.99
TOTAL	9,52,204.04	5,25,229.79



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20 Statement of Cash Flows for the year ended 31 March 2019

	(Rs. In Lacs)	
	Year ended 31 March 2019 (Audited)	Year ended 31 March 2018 (Audited)
Profit before tax	8,302.07	131.88
<i>Adjustments for</i>		
Add: Depreciation and amortisation expense	42.36	48.50
Changes in provisions	20.18	67.61
Loss/(profit) on sale of property, plant and equipment	0.51	(0.96)
Interest paid	40,343.67	33,072.20
Less: Discount and interest received	(50,249.46)	(40,083.80)
Dividend received	(2.26)	(6.34)
Operating (loss) before changes in operating activity	(1,542.93)	(6,770.91)
Cash flow from operating activity		
Add: Discount and interest received	50,249.46	40,083.80
Dividend received	2.26	6.34
Less: Interest paid	(40,343.67)	(33,072.20)
<i>Adjustment for changes in operating activity</i>		
Changes in investments in FDR	-	(10,462.00)
Changes in investments at fair value through profit and loss	(3,80,682.22)	(65,003.93)
Changes in financial assets and non-financial assets	(9,770.65)	(3,271.36)
Changes in financial liability and non-financial liabilities	(169.52)	484.95
Cash used in operations	(3,82,257.26)	(78,005.31)
Less: Net taxes paid	(2,061.64)	(1,988.36)
(A) Net cash used in operating activity	(3,84,318.90)	(79,993.67)
Cash flow from investing activities		
<i>Adjustment for changes in investing activity</i>		
Sale proceeds of property, plant and equipment	0.20	1.40
Purchase of property, plant and equipment	(50.01)	(27.03)
(B) Net cash used in investing activity	(49.81)	(25.63)



Cash flow from financing activity*Adjustment for changes in financing activity*

Changes in borrowings	3,86,526.54	85,472.45
Dividend distribution including DDT	(2,170.12)	(5,416.40)
Changes in unclaimed dividends and bonus fractional entitlement	(3.67)	(18.82)
(C) Net cash flow from financing activity	3,84,352.75	80,037.23
Consolidated cash flow during the year (A+B+C)	(15.96)	17.93
Cash and cash equivalent at the beginning of the year	36.48	18.55
Cash and cash equivalent at the end of the year	20.52	36.48

Balances with banks

Balances with Reserve Bank of India	19.44	22.20
Balances with PNB Current Accounts	1.08	14.28
	20.52	36.48

For & on behalf of Board

Date: May 27, 2019

Place: New Delhi



(Wikas Goel)
Managing Director & CEO



KJ



RASOOL SINGHAL & CO.

CHARTERED ACCOUNTANTS

To,

The Board of Directors,
PNB GILTS Ltd.
5, Sansad Marg,
New Delhi-110001

We have audited the quarterly financial results of PNB Gilts Ltd ("Company") for the quarter ended 31.03.2019 and the year to date results for the period 01.04.2018 to 31.03.2019 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Obligations"), read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016, LIST/COMP/27/2018-19 dated November 22, 2018 and CIR/CFD/CMD1/44/2019 dated March 29, 2019. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) for Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as



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RASOOL SINGHAL & CO.

CHARTERED ACCOUNTANTS

financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. give a true and fair view of the net profit and other financial information for the quarter ended 31.03.2019 as well as the year to date results for the period from 01.04.2018 to 31.03.2019.

For Rasool Singhal & Co
Chartered Accountants
(FRN: 500015N)

Kanti Kumar Gupta

CA Kanti Kumar Gupta
Partner
Membership No: 071615
Place: New Delhi
Date: 27.05.2019

