

January 21, 2022

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| The Manager – Listing National Stock Exchange of India Ltd. Exchange Plaza Bandra Kurla Complex Bandra (E), Mumbai -400051 <u>Scrip Code: PNBGILTS</u> | The Manager – Listing BSE Limited Phiroze JeeJeebhoy Towers Dalal Street, Mumbai- 400001 <u>Scrip Code: 532366</u> |
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Subject: Outcome of the Board Meeting**Ref: Intimation pursuant to Regulation 30 read with Regulation 33 and Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')**

Dear Sir / Madam,

In terms of above referred provisions of the Listing Regulations, we wish to inform you that the Board of Directors of PNB Gilts Limited ("the Company") in its meeting held today i.e. January 21, 2022 commenced at 04:10 p.m. and concluded at 6:19 p.m. has, inter-alia, considered and approved the unaudited financial results of the Company for the quarter and nine months ended December 31, 2021.

Pursuant to Regulation 33 of the Listing Regulations, the copy of approved unaudited financial results of the Company for the quarter and nine months ended December 31, 2021 alongwith Limited Review Report submitted by the Statutory Auditor are enclosed herewith.

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 viz. www.pnbgilts.com.

This is for your Information and records.

Thanking You,

Yours truly,
For PNB Gilts Ltd
(Monika Kochar)
Company Secretary

PNB GILTS LIMITED
(CIN: L74899DL1996PLC077120)
Regd. Office: 5, Sansad Marg, New Delhi – 110001
Ph: 23325759, 23325779 Fax 23325751, 23325763
E-Mail: pnbgilts@pnbgilts.com Website: www.pnbgilts.com

Statement of Unaudited financial results for the Quarter and nine months ended 31st December, 2021

(Rs. In lacs)

| S.No. | Particulars | 3 months ended | | | 9 months ended | | Year ended |
|--------|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| | | 31-12-2021 (Reviewed) | 30-09-2021 (Reviewed) | 31-12-2020 (Reviewed) | 31-12-2021 (Reviewed) | 31-12-2020 (Reviewed) | 31-03-2021 (Audited) |
| | Revenue from operations | | | | | | |
| | Interest income | 26,024.03 | 26,392.32 | 18,181.15 | 73,146.09 | 60,811.53 | 77,883.38 |
| | Dividend income | - | 0.06 | 0.28 | 0.06 | 0.98 | 1.98 |
| | Rental income | 2.10 | 2.10 | 2.10 | 6.30 | 7.50 | 9.60 |
| | Fees and commission income | 223.03 | 669.00 | 243.04 | 1,629.10 | 716.16 | 2,046.96 |
| | Net gain on securities (Realised & Unrealised) | - | - | 13,872.46 | - | 34,443.26 | 25,255.85 |
| (I) | Total revenue from operations | 26,249.16 | 27,063.48 | 32,299.03 | 74,781.55 | 95,979.43 | 1,05,197.77 |
| (II) | Other income | 104.68 | 9.36 | 8.21 | 187.12 | 21.80 | 29.62 |
| (III) | Total income (I+II) | 26,353.84 | 27,072.84 | 32,307.24 | 74,968.67 | 96,001.23 | 1,05,227.40 |
| | Expenses | | | | | | |
| | Finance costs | 13,618.81 | 13,108.55 | 9,085.87 | 37,707.28 | 30,823.47 | 39,481.15 |
| | Fees and commission expense | 368.92 | 401.59 | 301.78 | 1,054.78 | 949.35 | 1,193.65 |
| | Net loss on securities (Realised & Unrealised) | 13,276.25 | 2,978.98 | - | 19,761.17 | - | - |
| | Employees benefit expense | 312.19 | 365.42 | 330.59 | 986.77 | 889.41 | 1,251.11 |
| | Depreciation, amortization and impairment | 29.32 | 28.91 | 53.30 | 84.73 | 133.30 | 189.23 |
| | Other expenses | 356.79 | 321.30 | 212.50 | 978.21 | 590.55 | 804.95 |
| (IV) | Total expenses | 27,962.28 | 17,204.75 | 9,984.04 | 60,572.94 | 33,386.08 | 42,920.08 |
| (V) | Profit/(loss) before exceptional items and tax (III-IV) | (1,608.44) | 9,868.09 | 22,323.20 | 14,395.73 | 62,615.15 | 62,307.32 |
| (VI) | Exceptional items | 5.67 | (1,807.07) | - | (694.46) | - | 872.62 |
| (VII) | Profit/(loss) before tax (V-VI) | (1,614.11) | 11,675.16 | 22,323.20 | 15,090.19 | 62,615.15 | 61,434.70 |
| | Tax expense/(credit): | | | | | | |
| | (1) Current tax | (989.31) | 2,870.45 | 3,913.62 | 3,735.02 | 14,154.38 | 16,257.91 |
| | (2) Earlier year taxes | - | - | - | 0.10 | - | 398.70 |
| | (3) Deferred tax | (10.07) | 513.41 | 1,702.91 | (310.64) | 1,635.44 | (633.59) |
| (VIII) | Total Tax expenses | (999.38) | 3,383.86 | 5,616.53 | 3,424.48 | 15,789.82 | 16,023.02 |
| (IX) | Profit/ Loss for the period (VII-VIII) | (614.73) | 8,291.30 | 16,706.67 | 11,665.71 | 46,825.33 | 45,411.68 |
| (X) | Other comprehensive income | | | | | | |
| | A.(i) Items that will not be reclassified to profit or loss | | | | | | |
| | -Remeasurements of defined benefit plan | 6.81 | (31.73) | (70.63) | (114.07) | (42.06) | (35.40) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (1.71) | 7.98 | 17.78 | 28.71 | 10.59 | 8.91 |
| | Subtotal (A) | 5.10 | (23.75) | (52.85) | (85.36) | (31.47) | (26.49) |



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|-------|--|----------|----------|-----------|-----------|-----------|-----------|
| | B (i) Items that will be reclassified (specify items and amounts) to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | Subtotal (B) | - | - | - | - | - | - |
| | Other comprehensive income (A+B) | 5.10 | (23.75) | (52.85) | (85.36) | (31.47) | (26.49) |
| (XI) | Total comprehensive income for the period (comprising profit/ (loss) and other comprehensive income for the period) | (609.63) | 8,267.55 | 16,653.82 | 11,580.35 | 46,793.86 | 45,385.19 |
| (XII) | Earnings per share * | | | | | | |
| | Basic (Rs.) | (0.34) | 4.61 | 9.28 | 6.48 | 26.01 | 25.23 |
| | Diluted (Rs.) | (0.34) | 4.61 | 9.28 | 6.48 | 26.01 | 25.23 |

*Earnings per share for three/nine months ended are not annualised.

NOTES

- The above financial results of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) rules, 2015 as amended by the Companies (Indian Accounting Standards), Rules, 2016, prescribed under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/ clarifications/ directions issued by the RBI or other regulators are implemented as and when they are issued/ applicable.
- These results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 21, 2022.
- In compliance with Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the statutory auditors of the Company, Rasool Singhal & Co. have carried out the Limited review of the interim financial results as per Standard on Review Engagements (SRE) 2410 " Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.
- The interim financial results have been prepared as per the format prescribed in Division III of Schedule III of the Companies Act, 2013 vide Ministry of Corporate Affairs (MCA) Notification dated October 11, 2018.
- There is no separate reportable segment for the Company as per Ind AS 108-Operating Segments.
- Taxation Laws (Amendment) Ordinance 2019, dated September 20, 2019 provides an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate since FY 2019-20 and the taxes have been computed accordingly.
- In compliance with the SEBI circular no. SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019 read with circular no. SEBI/HO/DDHS/CIR/P/2019/167 dated December 24, 2019, the Company is required to submit to the Stock Exchange its financial results for the quarter ended December 31, 2021.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34-Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.
- Figures of the previous period have been regrouped, wherever considered necessary in order to make them comparable with those of the current period.
- The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2021 and September 30, 2020 and the published year to date figures upto the nine months ended December 31, 2021 and December 31, 2020 respectively.
- The company neither has any adverse financial impact due to COVID-19 nor it anticipates any impact on its liquidity position or on its ability to continue as a going concern.
- There have been no deviations, in the use of proceeds of issue of debt securities (Commercial Papers) from the objects stated in the offer document.
- As per RBI Master Direction for standalone Primary Dealers dated August 30, 2016, the valuation of the securities portfolio shall be done on prices declared by FIMMDA using last 15 days market prices with a minimum trade quantum of Rs. 5 crore in a day. Further in absence of market trading in required volume in last 15 days, value of securities are calculated based on inputs received from FIMMDA related to tenure spread / credit spread matrix over and above the G-sec par curve and accordingly it has been done.



14. Other Income includes an amount of Rs. 67.64 lacs pertaining to interest on Income Tax refunds and Rs. 100 lacs on account of amount received from Madhavpura Mercantile Coop Bank.

15. The company recently opened a branch in Kolkata. The lease term for the same is 11 months which is renewable upto 5 years. The company being reasonably certain that the lease will continue for five years and considered the same for calculation of Right of Use Asset as per Ind AS 116.

16. Exceptional items comprise the following:

| Particulars | Nine months ended 31st December, 2021 | Year ended 31st March, 2021 |
|--|---------------------------------------|-----------------------------|
| i) Write off of I.A. on 9.60% SREI Equipment Finance Limited (#1) | 113.11 | - |
| ii) Write off of Investment in 9.60% SREI Equipment Finance Limited (#2) | 1,587.59 | - |
| iii) Provision of I.A. on 9.60% SREI Equipment Finance Limited (#1) | - | 226.22 |
| iv) Provision of Investment in 9.60% SREI Equipment Finance Limited (#2) | - | 740.25 |
| v) Underwriting fee pertaining to prior years (July 17 to March 2020) | - | (93.88) |
| vi) Extra TDS booked in 2019-20, reversed | - | 0.03 |
| vii) Prior period expenses (#3) | 25.91 | - |
| viii) Amount received on account of DHFL (#4) | (1,099.78) | - |
| ix) Debenture of 6.75% Piramal Capital & Housing Finance Ltd received on account of DHFL. (#4) | (1,321.29) | - |
| Total | (694.46) | 872.62 |

#1 and #2

Company holds 9.60% SREI EQUIPMENT FINANCE LTD DB 25-05-2028 security. Due to downgrading in the rating of the debenture, the same has been fully written off from the books along with its interest accrued in the current quarter. Earlier, 100% provision was created on account of Investment and Interest accrued on the same.

#3

Certain expenses pertaining to the previous years which could not be provided for during the last year, have been booked in the current year and shown under exceptional items. Since the amount of prior period items is not material, retrospective effect has not been made in the financials.

#4

The company has written off an amount of Rs. 4971.86 lacs on account of investment and Rs. 451.26 lacs on account of interest accrued on DHFL in the FY 2019-20. However, in the FY 2021-22, the company has received an amount of Rs. 1099.78 lacs in the bank account and Rs. 1321.29 lacs by way of debenture of 6.75% Piramal Capital and Housing Finance Limited on account of DHFL.

17) The Income Tax portal is reflecting an amount of Rs. 316.70 lacs as an outstanding demand for AY 20-21. The addition in the income has been made on some unknown basis and the amount is not matching with the figures in the ITR. As per the advice received from the tax consultant, the demand is not justified and the process of rectification application for the correction of demand is under process. So, the company has decided not to provide for the same.

18) An amount of Rs. 174866.66 lacs out of the total investment portfolio has been classified as Amortised Cost Category for the first time. The interest accrued on the same is Rs. 809.31 lacs during the quarter ended December 31, 2021. If the company would have classified these investments under the Fair value through Profit and Loss (FVTPL) category, the MTM impact on the Statement of Profit and loss would be Rs. -1139.95 lacs.

19. Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2021

| Particulars | As on December 31, 2021 | As on March 31, 2021 |
|--|-------------------------|----------------------|
| Debt Equity Ratio | 11.00 | 7.49 |
| Net Worth (Rs. In lacs) | 1,37,796.95 | 1,31,608.15 |
| Net Profit after Tax (Rs. In lacs) | 11,665.71 | 45,411.68 |
| Total comprehensive Income (Rs. In Lacs) | 11,580.35 | 45,385.19 |



| | | |
|----------------------------------|--------|--------|
| Earnings per share (in Rs.) | 6.48 | 25.23 |
| Current Ratio | 435.72 | 717.45 |
| Current liability Ratio | 0.00 | 0.00 |
| Total Debt to Total Assets Ratio | 0.88 | 0.81 |
| Debtors Turnover Ratio | 9.61 | 4.67 |
| Operating Margin (%) | 19.98 | 58.35 |
| Net Profit Margin(%) | 15.45 | 43.13 |

Footnotes for the above ratios:

- Debt-equity ratio is computed as total debt divided by equity. Total debt includes all borrowings.
- Net worth comprises of Equity share capital and other equity less unamortised exp on staff loans
- Current Ratio is computed as current assets divided by current liabilities. The borrowings of the company do not form part of current liabilities.
- Current Liability Ratio is computed as current liabilities divided by total liabilities. The borrowings of the company do not form part of current liabilities. Total liabilities include equity and total outside liabilities.
- Total debt to total assets is computed as total debt divided by total assets. Total debt includes all borrowings.
- Debtors turnover is computed as arranger fee income divided by average of arranger fee receivable. The ratio is not annualised.
- Operating margin is computed as profit and other comprehensive income before tax divided by total income.
- Net profit margin is computed as total comprehensive income divided by total income.
- The debt service coverage ratio and interest service coverage ratio are not required to be disclosed as per the proviso of Regulation 52 (4) of the SEBI (LODR) Regulations, 2015.
- The disclosure on outstanding redeemable preference shares , capital redemption or debenture redemption reserve, long term debt to working capital, bad debts to account receivable and inventory turnover ratios are not applicable to the company.

For & on behalf of Board


Vikas Goel
Managing Director & CEO



For Rasool Singhal & Co.


(CA Jitender Goel)
Partner



Date: January 21, 2022

Place: New Delhi



To,
The Board of Directors
PNB Gilts Limited
5, Sansad Marg New Delhi-110001

Introduction

We have reviewed the accompanying statement of unaudited financial results of PNB Gilts Limited (Company) for the quarter and nine months ended December 31, 2021 (Statement). This statement has been prepared by the company in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, LIST/COMP/27/2018-19 dated November 22, 2018, CIR/CFD/CMD1/44/2019 dated March 29, 2019, and CIR/CFD/CMD1 /80/2019 dated July 19, 2019 (Circular).

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on January 21, 2022. Our responsibility is to issue a report on this financial statement based on our review.

Scope of Review

We conducted our review of the Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Date: 21.01.2022
Place: New Delhi




CA Jitender Goel
Partner
Membership No. 074227
UDIN: 22074227AAAAAF1480