

Date: 10.11.2020

<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 BSE Limited Phiroze JeeJeebhoy Towers Dalal Street Mumbai- 400 001</p> <p><u>Scrip Code: 532366</u></p>
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**Ref: Intimation under Regulation 30 read with 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

**Sub: Outcome of Board meeting held on November 10, 2020**

Dear Sir / Madam,

This is in reference to our letter dated October 31, 2020, wherein we had informed that the meeting of the Board of Directors of the Company will be held on November 10, 2020 to, inter alia, consider the items mentioned thereunder.

It is hereby informed that the Board of Directors of the Company in its meeting held today i.e. 10.11.2020, commenced at 4:15 p.m. and concluded at 8:29 p.m., has approved the Un-audited Standalone Financial Results of the Company for the quarter and half year ended September 30, 2020.

Further, pursuant to Regulation 33 of the Listing Regulations, we enclose herewith copy of Un-audited Standalone Financial Results for the quarter and half year ended September 30, 2020 for your perusal and record. Limited Review Report submitted by the Statutory Auditor on such financial results is also enclosed herewith for your records. The results are also being published in newspapers as per the requirement of Listing Regulations and be made available on the website of the Company i.e. www.pnbgilts.com.

This is also to inform that in the same meeting, the proposal for declaration of interim dividend for the financial year ending March 31, 2021 was also considered and the Board has declared an Interim Dividend of Rs. 3 /- per equity share i.e. 30 % for the financial year 2020-21. The said dividend shall be paid within 30 days of such declaration to those members whose names appear on the Register of Members of the Company and as beneficial owners in the Depositories, determined with reference to the Record Date of November 19, 2020, already announced for the purpose vide letter dated October 31, 2020.

This is for your information and records.

Thanking You,

Yours faithfully,  
For PNB Gilts Ltd

  
(Monika Kochar)  
Company Secretary



Encl: a/a



Statement of Unaudited financial results for the Quarter and Half year ended 30th September, 2020

S.No.	Particulars	3 months ended			6 months ended		(Rs. In lacs)
		30-09-2020 (Reviewed)	30-06-2020 (Reviewed)	30-09-2019 (Reviewed)	30-09-2020 (Reviewed)	30-09-2019 (Reviewed)	Year ended 31-03-2020 (Audited)
	<b>Revenue from operations</b>						
	Interest income						
	Dividend income	21,539.53	21,090.85	18,381.66	42,630.38	34,692.35	76,645.56
	Rental income	0.70	-	1.46	0.70	1.88	2.72
	Fees and commission income	2.40	3.00	3.50	5.40	5.00	11.00
	Net gain on securities (Realised & Unrealised)	305.75	167.37	114.34	473.12	181.45	415.22
(I)	<b>Total revenue from operations</b>	<b>21,848.38</b>	<b>49,145.42</b>	<b>19,046.87</b>	<b>63,680.40</b>	<b>38,950.04</b>	<b>88,224.45</b>
(II)	Other income						
		6.31	7.28	6.44	13.59	12.65	35.42
(III)	<b>Total income (I+II)</b>	<b>21,854.69</b>	<b>49,152.70</b>	<b>19,053.31</b>	<b>63,693.99</b>	<b>38,962.69</b>	<b>88,259.87</b>
	<b>Expenses</b>						
	Finance costs						
	Fees and commission expense	11,408.12	10,329.48	12,699.97	21,737.60	24,693.30	51,925.90
	Net loss on securities (Realised & Unrealised)	386.46	261.01	296.58	647.57	523.49	1,063.20
	Employees benefit expense	7,313.40	-	-	-	-	-
	Depreciation, amortization and impairment	322.78	236.04	225.95	558.82	410.72	1,149.88
	Other expenses	44.97	35.03	61.41	80.00	113.13	144.81
(IV)	<b>Total expenses</b>	<b>19,605.50</b>	<b>11,109.94</b>	<b>13,460.42</b>	<b>23,402.04</b>	<b>26,083.05</b>	<b>55,157.72</b>
(V)	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>2,249.19</b>	<b>38,042.76</b>	<b>5,592.89</b>	<b>40,291.95</b>	<b>12,879.64</b>	<b>33,102.15</b>
(VI)	Exceptional items			6,254.74		6,803.74	8,121.58
(VII)	<b>Profit/(loss) before tax (V-VI)</b>	<b>2,249.19</b>	<b>38,042.76</b>	<b>(661.85)</b>	<b>40,291.95</b>	<b>6,075.90</b>	<b>24,980.57</b>
	Tax expense/(credit):						
	(1) Current tax	3,391.89	6,848.87	(1,374.75)	10,240.76	1,875.73	5,313.99
	(2) Earlier year taxes	-	-	-	-	-	8.75
	(3) Deferred tax	(2,822.47)	2,755.00	904.59	(67.47)	(124.22)	1,022.37
(VIII)	<b>Total Tax expenses</b>	<b>569.42</b>	<b>9,603.87</b>	<b>(470.16)</b>	<b>10,173.29</b>	<b>1,751.51</b>	<b>6,345.11</b>
(IX)	<b>Profit/ (Loss) for the period (VII-VIII)</b>	<b>1,679.77</b>	<b>28,438.89</b>	<b>(191.69)</b>	<b>30,118.66</b>	<b>4,324.39</b>	<b>18,635.46</b>
(X)	<b>Other comprehensive income</b>						
	A (i) Items that will not be reclassified to profit or loss						
	-Remeasurements of defined benefit plan	67.05	(38.48)	(46.44)	28.57	(49.51)	(153.93)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(16.87)	9.68	11.39	(7.19)	12.46	38.74
	<b>Subtotal (A)</b>	<b>50.18</b>	<b>(28.80)</b>	<b>(35.05)</b>	<b>21.38</b>	<b>(37.05)</b>	<b>(115.19)</b>
	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	-	-	-	-	-	-
	<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Other comprehensive income (A+B)</b>	<b>50.18</b>	<b>(28.80)</b>	<b>(35.05)</b>	<b>21.38</b>	<b>(37.05)</b>	<b>(115.19)</b>
(XI)	<b>Total comprehensive income for the year (comprising profit/ (loss) and other comprehensive income for the year) (IX+X)</b>	<b>1,729.95</b>	<b>28,410.09</b>	<b>(226.74)</b>	<b>30,140.04</b>	<b>4,287.34</b>	<b>18,520.27</b>
(XII)	Earnings per share *						
	Basic (Rs.)	0.93	15.80	(0.11)	16.73	2.40	10.35
	Diluted (Rs.)	0.93	15.80	(0.11)	16.73	2.40	10.35

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

**NOTES**

1. These financial results for the quarter and half year ended September 30, 2020 are reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on November 10, 2020

2. 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.



3. 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.
4. 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 and half year ended September 30, 2020.
5. 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.
6. 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.
7. The figures for the quarter ended September 30, 2020 and September 30, 2019 are the balancing figures between reviewed figures in respect of the half year ended 2020 and 2019 and the published year to date figures upto quarter ended June 30, 2020 and June 30, 2019 respectively.
8. There is no separate reportable segment for the Company as per IND AS 108-' Operating Segments'.
9. 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.
10. Figures of the previous period have been regrouped, wherever considered necessary in order to make them comparable with those of the current period. As such, an amount of Rs. 20.75 lacs for six months ended Sept 2019 and Rs. 18.23 lacs for three months ended Sept 2019 have been regrouped on account of underwriting fee.
11. The company neither has any adverse financial impact due to COVID-19 nor it anticipates any impact on its liquidity position on its ability to continue as a going concern.
12. 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.
13. Details of Contingent Income tax liabilities  
(Rs. In lacs)

Assessment year	30.09.2020	Forum where pending	Date on which demand raised
Act, 1961	1.33	AO	17-09-2008
2008-09 under section 115WE(1) of the Income Tax Act, 1961	0.13	AO	25-02-2010
2008-09 under section 143(3) of the Income Tax Act, 1961	1.78	AO	20-12-2010
2011-12 under section 154 of the Income Tax Act, 1961	3.21	AO	23-05-2013
2012-13 under section 143(3) of the Income Tax Act, 1961*	-	AO/High Court	07-03-2015
1961	7.12	CIT(A)	29-03-2019
2014-15 under section 143(3) of the Income Tax Act, 1961	201.57	ITAT	21-10-2017
2016-17 under section 143(3) of the Income Tax Act, 1961	123.83	CIT(A)	19-11-2018
2017-18 under section 143 (3) of the Income Tax Act, 1961	180.63	CIT(A)	31-12-2019
<b>TOTAL</b>	<b>519.60</b>		

\* For the AY 2012-13, the case has been referred back to AO by ITAT for reconsideration as such the earlier demand of Rs. 342.80 lacs is reduced to NIL. The Company has filed an appeal before the High Court for the said Assessment Year.  
The company has an outstanding provision in the books of Rs. 70.75 lacs against the total outstanding demand of Rs. 519.60 lacs.

14. An excess provision of Rs. 16.40 lacs created in March, 2020 has been reversed on 30.09.2020.
15. During the half year ended 30.09.2020, the company has made a provision of Rs. 30.05 lacs on account of revised demat charges raised by Punjab National Bank. The company has requested the Bank to review these charges in view of the same charge being Rs. 1.92 lacs in the corresponding period of the Previous year.
16. The Board of Directors in its meeting held on November 10, 2020 has declared an interim dividend of Rs.3 per share of Rs. 10/- each amounting to Rs. 5400.30 lacs for FY 20-21.
- 17. Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and half year ended September 30, 2020**
- a) The credit rating of the company as on 30th September, 2020 is A1+ for the Rs. 1000 crores Commercial Paper Programme and also A1+ for the Rs. 500 crores Commercial Paper Programme as done by CRISIL and ICRA respectively. There is no change in the credit rating of the company. The credit rating for Bank Loan for the company as on 30th September, 2020 is IND A1+.
- b) Asset Cover available, in case of non convertible debt securities- Not required as per Proviso of Regulation 52 (4) of the SEBI (LODR) Regulations, 2015

- c) The debt-equity ratio of the company as on 30th September, 2020 is 10.65:1.
- d) Previous due date for payment of interest/dividend for non convertible redeemable preference shares/repayment of principal of non convertible preference shares/non convertible debt securities and whether the same has been paid or not. - As per Annexure A
- e) Next due date for the payment of interest/dividend of non convertible preference shares/principal along with the amount of interest/ dividend of non convertible preference shares payable and the redemption amount- As per Annexure A
- f) The debt service coverage ratio -Not required as per Proviso of Regulation 52 (4) of the SEBI (LODR) Regulations, 2015
- g) The interest service coverage ratio -Not required as per Proviso of Regulation 52 (4) of the SEBI (LODR) Regulations, 2015
- h) Outstanding redeemable preference shares (quantity and value) - The company no outstanding Commercial Paper Borrowings as on 30.09.2020
- i)Capital redemption reserve/ debenture redemption reserve - Not applicable as the company does not have any such reserves.
- j) The Net Worth (as per Sec 2(57) of Companies Act, 2013) of the company as at September 30, 2020 stands at Rs. 1,28,931.42 lacs.
- k) The Net Profit after Tax as on 30th September, 2020 is Rs. 30118.66 lacs. The Total Comprehensive Income amounts to Rs. 30,140.04 lacs.
- l) As on 30th September, 2020, the Earnings per Share is Rs. 16.73.

**Annexure A****Details of Commercial Paper Borrowings**

(Rs. In Lacs)

Listed/ Unlisted	ISIN	Previous Interest Amount	Previous Principal Amount	Previous due date for payment of Interest	Whether the previous interest has been paid/ not	Next due date for payment of interest	Next Interest Amount	Previous due date for repayment of principal	Whether the previous principal repaymen t has been paid/not	Next due date for repayment of principal	Next principal redemption amount
Listed	INE859A14014	212.35	24,787.65	06.03.2020	Paid	-	-	06.03.2020	Paid	-	-
Listed	INE859A14022	282.00	19,718.00	14.05.2020	Paid	-	-	14.05.2020	Paid	-	-
Listed	INE859A14030	398.28	29,601.75	05.06.2020	Paid	-	-	05.06.2020	Paid	-	-
Listed	INE859A14048	409.64	39,590.36	22.09.2020	Paid	-	-	22.09.2020	Paid	-	-
Listed	INE859A14055	63.84	9,936.16	25.09.2020	Paid	-	-	25.09.2020	Paid	-	-
Listed	INE859A14063	62.93	9,937.07	28.09.2020	Paid	-	-	28.09.2020	Paid	-	-



**PNB GILTS LIMITED**  
(CIN: L74899DL1996PLC077120)  
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E-Mail: pnbgilts@pnbgilts.com Website: www.pnbgilts.com

**Balance Sheet as at 30th September 2020**

Particulars	As at 30.09.2020 (Reviewed)	As at 31.03.2020 (Audited)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	15,082.50	74.40
Bank balance other than above	558.37	564.94
Derivative financial instruments	1,10,116.06	97,667.49
Loans	6,152.22	7,744.85
Investments	14,87,474.62	12,96,451.40
Other financial assets	25,982.83	22,537.16
	<b>16,45,366.60</b>	<b>14,25,040.24</b>
<b>Non- financial assets</b>		
Current tax assets (net)	291.21	327.53
Deferred tax assets (net)	-	-
Investment property	20.74	27.04
Property, plant and equipment	268.35	272.24
Other intangible assets	43.07	13.17
Right of Use asset	42.63	60.94
Other non-financial assets	195.34	88.90
	<b>861.34</b>	<b>789.82</b>
<b>TOTAL</b>	<b>16,46,227.94</b>	<b>14,25,830.06</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Derivative financial instruments	1,15,286.51	1,02,683.35
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	128.68	110.31
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	-	-
Debt Securities	-	49,319.75
Borrowing (other than debt securities)	13,74,290.29	11,67,114.29
Lease Liability	45.81	63.81
Other financial liabilities	20,296.91	539.96
	<b>15,10,048.20</b>	<b>13,19,831.47</b>
<b>Non financial liabilities</b>		
Current tax liabilities (net)	5168.13	114.46
Provisions	735.62	717.24
Deferred tax liabilities (net)	827.93	888.21
Other non-financial liabilities	455.26	25.61
	<b>7,186.94</b>	<b>1,745.52</b>
<b>Equity</b>		
Equity share capital	18,001.01	18,001.01
Other equity	110991.79	86,252.07
	<b>1,28,992.80</b>	<b>1,04,253.08</b>
<b>TOTAL</b>	<b>16,46,227.94</b>	<b>14,25,830.06</b>

**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 Cash flows for the half year ended 30 September 2020**

Particulars	(Rs. Lakhs)		
	Half Year ended 30 September 2020 (Reviewed)	Year ended 31 March 2020 (Audited)	Half Year ended 30 September 2019 (Reviewed)
Profit before tax	40291.95	24,980.57	6,075.90
<i>Adjustments for</i>			
Add: Depreciation and amortisation expense	80.00	144.81	113.13
Changes in provisions	46.95	221.48	1,454.74
Loss/(profit) on sale of property, plant and equipment	0.83	0.01	0.01
Interest expense on lease liability	2.29	6.83	26.56
Interest paid	21,735.31	51,919.07	24,693.30
Less: Discount and interest received	(42,630.38)	(76,645.56)	(34,527.41)
Dividend received	(0.70)	(2.72)	(1.88)
<b>Operating Profit/(loss) before changes in operating activity</b>	<b>19,526.25</b>	<b>624.49</b>	<b>(2,165.65)</b>
<b>Cash flow from operating activity</b>			
Add: Discount and interest received	42,630.38	76,645.56	34,527.41
Dividend received	0.70	2.72	1.88
Less: Interest expense on leased liability	(2.29)	(6.83)	(26.56)
Interest paid	(21,735.31)	(51,919.07)	(24,693.30)
<i>Adjustment for changes in operating activity</i>			
Changes in investments in FDR	6.57	9,994.94	9,983.46
Changes in investments at fair value through profit and loss	(1,90,868.63)	(4,10,918.34)	(2,94,275.39)
Changes in financial assets and non-financial assets	(1,959.48)	(8,676.69)	(8,101.31)
Changes in financial liability and non-financial liabilities	14,810.92	(235.48)	(481.11)
<b>Cash used in operations</b>	<b>(1,37,590.89)</b>	<b>(3,84,488.69)</b>	<b>(2,85,230.57)</b>
Less: Net taxes paid	(5,150.78)	(5,298.39)	(2,068.87)
<b>(A) Net cash used in operating activity</b>	<b>(1,42,741.67)</b>	<b>(3,89,787.08)</b>	<b>(2,87,299.44)</b>
<b>Cash flow from investing activities</b>			
<i>Adjustment for changes in investing activity</i>			
Sale proceeds of property, plant and equipment	-	-	-
Purchase of property, plant and equipment	(82.24)	(134.28)	(46.04)
<b>(B) Net cash used in investing activity</b>	<b>(82.24)</b>	<b>(134.28)</b>	<b>(46.04)</b>
<b>Cash flow from financing activity</b>			
<i>Adjustment for changes in financing activity</i>			
Changes in borrowings	1,57,856.25	3,93,042.10	2,90,419.42
Lease Accounting adjustments	(18.00)	(33.75)	(54.70)
Dividend distribution including DDT	-	(3,038.17)	(3,038.17)
Changes in unclaimed dividends and bonus fractional entitlement	(6.24)	5.06	16.54
<b>(C) Net cash flow from financing activity</b>	<b>1,57,832.01</b>	<b>3,89,975.24</b>	<b>2,87,343.09</b>
<b>Consolidated cash flow during the year (A+B+C)</b>	<b>15,008.10</b>	<b>53.88</b>	<b>(2.39)</b>

Cash and cash equivalent at the beginning of the year  
Cash and cash equivalent at the end of the year

74.40	20.52	20.52
<b>15,082.50</b>	<b>74.40</b>	<b>18.13</b>

**Balances with banks**

Balances with Reserve Bank of India  
Balances with PNB Current Accounts

15,080.13	33.44	16.97
2.37	40.95	1.16
<b>15,082.50</b>	<b>74.40</b>	<b>18.13</b>

Date: 10.11.2020

Place: New Delhi

**KANTI  
KUMAR  
GUPTA**

Digitally signed by KANTI KUMAR GUPTA  
DN: c=IN, o=RASOOL SINGHAL AND CO.,  
ou=PARTNER,  
2.5.4.20=3ca1a21e03b47986544754bdf26c1  
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postalCode=201001, st=UTTAR PRADESH,  
serialNumber=d941a6040938d5c17fd130e5  
421095eab79efc3119653f373a4be243d13,  
cn=KANTI KUMAR GUPTA  
Date: 2020.11.10 17:11:25 +05'30'

For & on behalf of Board

**VIKAS  
GOEL**

Digitally signed by VIKAS GOEL  
DN: c=IN, o=RASOOL SINGHAL AND CO.,  
ou=PARTNER,  
2.5.4.20=3ca1a21e03b47986544754bdf26c1  
efef6ba35d21e9cc21087d891d58bf96,  
postalCode=201001, st=UTTAR PRADESH,  
serialNumber=d941a6040938d5c17fd130e5  
421095eab79efc3119653f373a4be243d13,  
cn=VIKAS GOEL  
Date: 2020.11.10 16:50:10 +05'30'

(Vikas Goel)

Managing Director & CEO





# Rasool Singhal & Co.

## Chartered Accountants

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

### Introduction

We have reviewed the accompanying unaudited Financial Statements of PNB Gilts Limited (Company) for the quarter and half year ended September 30, 2020. These Financial Statements have 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).

These Financial Statements are the responsibility of the Company's Management and have been approved by the Board of Directors in their meeting held on November 10, 2020. Our responsibility is to issue a report on these financial statements 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.

### Basis for Conclusion

Based on information provided to us by management, following are the basis of qualification:

1. Company, as Goodwill gesture on superannuation, has given its IT assets on retirement of its ED & CFO, having book value of Rs. 82,657/- as per policy of parent company PNB. Company has also paid GST of Rs. 31,877/- and Income Tax Rs. 44,532/- on these assets, which is beyond the policy of the company or its parent company PNB.
2. Company has paid Rs. 28,17,877/- to its Management Trainees hired on contract basis and deducted TDS of Rs.28,179/- @ 1% u/s 194C. Whereas the company was required to deduct TDS @10% U/s 194J and as such company has defaulted in compliance of the applicable Income Tax Laws.
3. Company, as its policy, reimburse the expenses incurred by its employees under different heads, as per their entitlements. However, on review, it is found that in many cases the personal expenses of the employees are reimbursed as company's expenditures.
4. Under the head "Current Tax Assets (Net)", the company shown old Income Tax Refundable for FY 2008-09 at Rs. 1,16,49,691/- and for FY 2011-12 at Rs. 94,64,350/- which are not payable to the company as per income Tax assessment records available on the IT website thus needs provisioning.

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Administrative Office: SD-29, Shastri Nagar, Ghaziabad – 201002

Head Office: G-313, Sector-63, Noida – 201301

Contact: 9811242760, 9810041371, 0120-4207878

E-Mail: carasoolsinghal@gmail.com; cajitendergoel@gmail.com



# Rasool Singhal & Co. Chartered Accountants

## Qualified Conclusion

Based on our review conducted as above, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying unaudited Financial Statements, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, have 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.

Date: 10.11.2020  
Place: Delhi

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

KANTI  
KUMAR  
GUPTA

(CA Kanti Kumar Gupta)

Partner

Membership No. 071615  
UDIN: 20071615AAAABQ9472

Digitally signed by KANTI KUMAR GUPTA  
DN: c = IN, o = RASOOL SINGHAL AND CO,  
ou = PARTNER,  
2.5.4.20 = 2ca1a21e1b3b47886447a7b8f05c1  
e1f1b35d2e7e0c21081891d79a1f6,  
postalCode = 201001, st = UTTER PRADESH,  
serialNumber = 0911a01a48382c1c18130e5  
4a100b00002119093535e0e043d13,  
cn = KANTI KUMAR GUPTA  
Date: 2020.11.10 17:13:17 +05'30'

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November 10, 2020

<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 BSE Limited Phiroz JeeJeebhoy Tower Dalal Street, Mumbai- 400 001</p> <p><u>Scrip Code: 532366</u></p>
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**DECLARATION IN ACCORDANCE WITH SEBI LODR WITH RESPECT TO UNAUDITED FINANCIALS RESULTS FOR THE PERIOD ENDED 30.09.2020 OF PNB GILTS LIMITED ('THE COMPANY')**

The enclosed are unaudited financial results for the quarter and half year ended 30.09.2020 and limited review report submitted by the Auditor on these results. The auditor has mentioned below qualifications, on which the Board in accordance with the SEBI LODR is of view that these do not have any impact on the profit or loss for the quarter and half year ended 30.09.2020.

The Company's response to these Qualifications are given below-

S. No.	Qualifications	Response
1.	Company, as Goodwill gesture on superannuation, has given its IT assets on retirement of its ED & CFO, having book value of Rs. 82,657/- as per policy of parent company PNB. Company has also paid GST of Rs. 31,877/- and Income Tax Rs. 44,532/- on these assets, which is beyond the policy of the company or its parent company PNB.	As per the Board approved policy & consistent practices followed by the company, the company has transferred a laptop, i-pad and accessories used by the ED & CFO to her on her retirement. The Company has paid GST of Rs. 31,877/- and Income Tax of Rs. 44,532/- as per requirement of the relevant laws on such transfer of assets. The payment of taxes is a statutory obligation, which the company has complied with.
2	Company has paid Rs. 28,17,877/- to its Management Trainees hired on contract basis and deducted TDS of Rs.28,179/- @ 1% u/s 194C. Whereas the company was required to deduct TDS @10% U/s 194J and as such company has defaulted in compliance of the applicable Income Tax Laws.	The company had deducted TDS u/s 194C on the amount paid to Management Trainees who are hired on contract basis. This has been amended and the company has deducted TDS u/s 194J with retrospective effect from April 01 <sup>st</sup> 2020 on principle of conservatism. It may be noted that the rate of TDS is 7.5% under section 194J presently as opposed to 10% mentioned.



3	<p>Company, as its policy, reimburse the expenses incurred by its employees under different heads, as per their entitlements. However, on review, it is found that in many cases the personal expenses of the employees are reimbursed as company's expenditures.</p>	<p>The company has a Board approved policy of reimbursing expenses incurred by the employees in discharge of their official duties. There is a preset limit with proper approval towards this for each employee. These expenses are reimbursed on production of the verified bills under the sanction of appropriate authority.</p>
4	<p>Under the head "Current Tax Assets (Net)", the company shown old Income Tax Refundable for FY 2008-09 at Rs. 1,16,49,691/- and for FY 2011-12 at Rs. 94,64,350/- which are not payable to the company as per income Tax assessment records available on the IT website thus needs provisioning.</p>	<p>For FY 2008-09, the company has a refund of Rs. 1,16,49,691/- recoverable from the Income Tax Department. The company is following up with the Income Tax Department as there is no dispute except reconciliation of TDS between the company's submission to ITD and it's records. Similarly, for FY 11-12, the company has to receive refund of Rs. 94,64,350/- and for the said Financial year the company is under appeal before Honorable High Court of Delhi. As per expert opinion the provisioning is therefore not required at this time.</p>

Kindly take the above declaration on record.

Thanking You,

Yours truly,

For on & behalf of Board of Directors



(Vikas Goel)  
Managing Director & CEO  
PNB Gilts Limited

