

August 22, 2025

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 Ltd. Phiroze JeeJeebhoy Towers Dalal Street Mumbai- 400 001 <u>Scrip Code: 532366</u>
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Sub: Annual Report of the Company for financial year 2024-25, inter-alia, including Notice of 29th Annual General Meeting (AGM)

Dear Sir/Madam,

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Schedule III thereto, please find attached herewith a copy of Annual report for the financial year 2024-25, which is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Share Transfer Agent ('STA')/Depository Participant(s) ('DPs'), inter-alia, including Business Responsibility and Sustainability Report and the Notice convening the 29th AGM of the Company scheduled to be held on Wednesday, September 17, 2025 at 11:00 a.m. (IST) through Video Conferencing ('VC') facility in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Further, a letter in accordance with Regulation 36(1)(b) of the Listing Regulations which is being sent to the Shareholders whose e-mail addresses are not registered with the Company/RTA/DPs, providing web link and exact path, from where the Annual Report for the financial year 2024-25 and Notice of the 29th AGM can be accessed on the website of the Company, is also attached herewith.

This will also be uploaded on our website www.pnbgilts.com.

We request you to kindly take the same on record.

Thanking You,

Yours faithfully,
For PNB Gilts Ltd.

MONIKA KOCHAR
Digitally signed by
MONIKA KOCHAR
Date: 2025.08.22
19:48:59 +05'30'

(Monika Kochar)
Company Secretary & Chief Compliance Officer

Encl: A/a

29th ANNUAL REPORT 2024-25

Board of Directors*



Sh. Kalyan Kumar
Chairman
(Non-Executive & Non-Independent)



Dr. T. M. Bhasin
Independent Director



Sh. Gopal Singh Gusain
Independent Director



Sh. Raj Kamal Verma
Independent Director



Dr. Rekha Jain
Independent Director



Sh. Amit Kumar Srivastava
Non-Executive &
Non - Independent Director



Sh. Pareed Sunil
Managing Director & CEO

OUR MISSION AND VISION

**To be a leader in the Primary Dealer Business
and
to be known a Knowledge Based, Research Oriented
and
Quality Conscious Company maximising wealth for Shareholders**

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Safe Harbour Statement

Statements in this Annual Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. While these forward-looking statements exemplify our judgment and future expectations concerning the development of our business, a number of risks and uncertainties and other important factors viz. economic conditions affecting demand and supply, government regulations, natural calamities and so on, may cause actual development and results to differ materially from our expectations. The Company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances.



Chairman's Letter to Shareholders

Dear Shareholders,

It is with immense gratitude and pride that I write to you, as we reflect together on yet another remarkable year in the journey of PNB Gilts Limited. Your continued trust, support, and belief in our purpose have not only empowered us to steer through dynamic market shifts but have also inspired us to aim higher every day. You have been at the heart of every milestone we've achieved, and it is this partnership that drives our commitment to delivering enduring value, not just for our shareholders, but for all stakeholders we serve.

FY25 unfolded against a backdrop of heightened macroeconomic uncertainty and financial market volatility. The global economy grappled with mixed signals, rising geopolitical tensions, persistent inflationary pressures, and uneven growth recovery across advanced and emerging markets. Central Banks, particularly the U.S. Federal Reserve, maintained a cautious stance amid robust employment data, delaying rate cuts and reinforcing a higher-for-longer interest rate narrative. This, in turn, influenced capital flows and elevated global bond yields. Domestically, the Indian economy demonstrated resilience but faced several headwinds, persistent inflationary pressures, volatile global oil prices, and fluctuating interest rate expectations. The Reserve Bank of India's (RBI) measured shift from a neutral monetary stance to a cautious rate cut in the final quarter kept market participants alert, as fluctuating interest rate expectations influenced trading behaviour and yield movements. Active liquidity management through Open Market Operations and Variable Rate Reverse Repo (VRRR) auctions added further complexity, requiring banks and dealers to adeptly navigate transitions between liquidity surpluses and deficits. These dynamics contributed to substantial fluctuations in the Indian bond market, particularly the 10-year benchmark G-Sec, which remained sensitive to both domestic and global triggers throughout the year.

Amidst this backdrop, your company leveraged deep market insights and prudent risk management practices to capitalize on opportunities and mitigate downside risks. During the year, total revenue increased by 6.3% year-on-year to ₹1,676 crore, while net profit surged by 235.73% to ₹233.03 crore, reflecting strong financial performance and improved profitability. Operating profit rose sharply by 140.99% to ₹343.03 crore, with the operating margin improving to 20.46% from 9.03% in the previous year. Earnings Per Share (EPS) also increased significantly to ₹12.95 as compared to ₹3.86 in FY24, underscoring the value created for shareholders. In line with our long-term capital strategy, and with a clear focus on future business necessities and

the critical importance of capital adequacy to support new revenue-generating products, a dividend of ₹1 per share (representing a payout ratio of 7.72%) was declared for the financial year. This prudent approach positions the Company to sustain growth initiatives while continuing to deliver consistent shareholder value. These results highlight our disciplined approach, sound risk management, and the confidence placed in us by all stakeholders, establishing PNB Gilts Limited as a key player in the government securities and fixed income space.

Throughout the year, the company significantly strengthened its overall market share in the fixed income industry by expanding its fee-based income streams, actively targeting new clients, and implementing agile trading strategies. The company systematically strengthened its risk governance framework, emphasising the need to meet evolving environmental and regulatory requirements, and prioritised the enhancement of its cybersecurity measures and internal controls to effectively address emerging threats and uphold the highest standards of security. These targeted initiatives reflect our disciplined approach to risk management, commitment to transparent communication, and determination to deliver sustainable value to all stakeholders, consistently aligning our operations with the highest standards of responsible corporate governance.

Talent development continues to be a core focus at PNB Gilts, as we invest in upskilling employees and fostering a culture of learning, innovation, and performance. By linking talent initiatives to organisational objectives and integrating Key Performance Indicators (KPIs) with performance-linked incentives, we empower our workforce to realize their full potential and drive sustained company success. This approach strengthens engagement and accountability and ensures we remain future-ready in a dynamic business environment.

At PNB Gilts Limited, corporate social responsibility forms a vital part of the company's strategic vision and organisational values. In FY 2024-25, PNB Gilts strengthened its CSR impact by collaborating with leading organisations to drive positive social change. Key initiatives included providing artificial limbs and mobility aids to more than 1,700 persons with disabilities across India and supporting cervical cancer vaccinations for 1,000 girls in Ghaziabad government schools. These targeted interventions have enhanced community health and enabled early intervention, reflecting the company's enduring commitment to inclusiveness and sustainable development. Through such efforts, PNB Gilts aims to empower vulnerable populations and contribute meaningfully to society's wellbeing.

PNB Gilts has initiated comprehensive measures to reduce its carbon footprint. As a proactive measure, the Company has taken strategic steps to address environmental concerns and promote sustainability. Accordingly, the Company has put in place Board-approved climate-related initiatives and policies, aligning with its long-term commitment to environmental responsibility. These efforts focus particularly on Sections 1 and 2 of the common frameworks and are designed to enhance resource efficiency, reduce carbon footprint, and foster greater awareness among stakeholders. The company has introduced recycling and resource reuse processes, including organising a "Recycle Mela" event to promote waste management and sustainability awareness among the local community, including employees. Such initiatives are complemented by CSR projects targeting environmental conservation and adopting eco-friendly practices to reinforce the firm's responsibility toward environmental stewardship.

Forward Guidance

Looking ahead to FY26, PNB Gilts Limited is set to operate in a constructive macroeconomic environment, supported by robust domestic demand, prudent fiscal management, and a proactive monetary policy stance. The RBI currently maintains a neutral policy stance, having shifted from an accommodative approach after its June 2025 meeting, reflecting a commitment to data-driven and balanced decision-making. In June 2025, retail inflation (CPI) dropped sharply to 2.10%, its lowest level since January 2019, largely due to a favorable base effect and a broad-based decline in food prices, with food inflation turning negative. This widespread moderation in price pressures prompted the RBI to revise its FY26 inflation forecast downward to 3.7%, with quarter-wise projections indicating continued stability.

To reinforce economic momentum, the RBI implemented a 50-basis-point cut in the repo rate and a 100-basis-point reduction in the Cash Reserve Ratio (CRR) effective from September 2025. The RBI continues to demonstrate prudent and proactive monetary policy management through the effective use of Variable Rate Reverse Repo (VRRR) and Variable Rate Repo (VRR) auctions. These tools are central to the RBI's strategy for liquidity management, allowing the banking system to transition smoothly between liquidity deficits and surpluses. By frequently deploying VRRR and VRR operations, the RBI successfully anchors short-term interest rates near the policy repo rate and curbs undue volatility in the money market. This thoughtful and data-driven approach has helped maintain financial stability, foster market confidence, and create an enabling environment for robust growth in the bond and fixed income markets.

Despite persistent global uncertainties, including escalating geopolitical tensions and a prolonged tariff war that has disrupted international trade flows, India's economic outlook for FY26 remains remarkably resilient. Ongoing tariff disputes between major economies have injected volatility into global markets and posed challenges for exporters worldwide, including India. However, strong domestic fundamentals anchored by robust consumption, continued government capital expenditure, and effective policy reform have helped cushion the impact of these external shocks. Notably, record Goods and Services Tax (GST) collections, rising by 9.4% year-on-year in FY25 to ₹22.08 lakh crore, reflect healthy economic activity and improved tax compliance. Meanwhile, the broader macroeconomic landscape is characterised by moderating inflation rates and a prudent, data-driven monetary policy stance by the Reserve Bank of India (RBI). With inflation under control and the financial sector stable, India is projected to achieve GDP growth in the range of 6.4% to 6.5% in FY26, reinforcing its position as one of the world's fastest-growing major economies.

In FY26, PNB Gilts is well-positioned to capitalise on a favourable bond market environment, leveraging its core strength in active trading. With supportive liquidity and a likely downward bias in policy rates, increased volatility and yield movements in government securities are expected. As a primary dealer, PNB Gilts can swiftly respond to these shifts, capturing trading opportunities from price swings in bonds. By employing strong risk management and real-time analytics, the company aims to maximise short-term gains and enhance returns, solidifying its prominence in the government securities market.

The company is actively expanding into the forex segment as a strategic move to enhance non-core revenue streams beyond its traditional focus on fixed-income operations. Additionally, the company has sharpened its focus on targeting new client segments such as foreign portfolio investors (FPIs). This disciplined approach

allows the company to capitalise on favorable trends in the fixed-income market, ensuring both upside participation and strong resilience for stakeholders across varied market environments.

Acknowledgements

On behalf of the Board, I wish to extend my sincere gratitude to all shareholders, clients, partners, and employees for their unwavering support and trust in PNB Gilts Limited. We are deeply grateful to the regulators, the Reserve Bank of India, Punjab National Bank, our parent bank, and the Government of India for their invaluable guidance and constant confidence. Their partnership has been pivotal in driving our strategic success and delivering sustainable value to all stakeholders. We are dedicated to transparent communication, proactive stakeholder engagement, and the delivery of sustainable value as we navigate an ever-changing economic landscape together.

A handwritten signature in black ink, appearing to read 'Kalyan Kumar'.

(Kalyan kumar)
Chairman

Date: August 18, 2025
Place: New Delhi

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 29th Annual Report together with the Company's audited financial statements for the financial year ended March 31, 2025.

1. RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS

The Company's financial performance, for the year ended March 31, 2025, is summarized below:

(₹ in lacs)

	For the year ended 31.03.2025	For the year ended 31.03.2024
Total Income	167627.90	157667.25
Less: Total Expenditure	136752.38	148153.52
Exceptional Items	(219.95)	(367.60)
Profit/(loss) Before Tax	31095.46	9881.33
Less: Tax Expense	7792.40	2940.26
Profit for the period	23303.06	6941.07
Other Comprehensive Income	41.24	34.92
Total Comprehensive Income	23344.31	6975.99
Opening Balance of Retained Earnings	47410.22	41822.45
Closing Balance of Retained Earnings	64293.81	47410.22
Earnings per share (Rs.)	12.95	3.86

FY 2024-25 was marked by considerable volatility in both global and domestic bond markets. Internationally, U.S. Treasury yields experienced significant fluctuations, influenced by evolving Federal Reserve (FOMC) policy decisions, persistent inflation concerns, and uncertainties surrounding U.S. political developments. At the same time, policy rate cuts by both the U.S. Federal Reserve and the European Central Bank signaled a broader trend of monetary policy easing across major economies.

Domestically, the Indian bond market generally witnessed a decline in yields. This favorable movement was supported by several factors, including the Reserve Bank of India's transfer of surplus dividends to the government, increased interest from foreign investors, and expectations of continued fiscal prudence. The RBI played an active role through measures such as repo rate cuts, open market operations, and forex swaps, all of which contributed to improved liquidity and lower yields. Additionally, concerns regarding domestic economic growth, as reflected in lower-than-expected GDP figures, further strengthened expectations for policy easing, exerting downward pressure on yields. As a result, the 10-year benchmark government bond yield moved from 7.09 per cent at the start of the year to stabilize in the 6.65 per cent to 6.72 per cent range, despite interim volatility.

Against this backdrop, the Company diligently fulfilled its obligations as a Primary Dealer as mandated by the RBI, both in the primary and secondary markets. The Company achieved a Profit Before Tax of ₹ 31095.46 lakhs as of March 31, 2025, compared to ₹ 9881.33 lakhs in the previous year. Profit After Tax stood at ₹ 23303.06 lakhs, up from ₹ 6941.07 lakhs as of March 31, 2024. The Company's capital adequacy remains robust, with a Capital to Risk Weighted Assets Ratio (CRAR) of 42.68 per cent as of March 31, 2025, well above the regulatory minimum of 15 per cent for Primary Dealers.

With respect to Treasury Bills, the Company exceeded the stipulated success ratio of 40 per cent, achieving 50.34 per cent and 51.88 per cent in the first and second halves of the year, respectively. In the government securities category, the Company fulfilled all underwriting commitments, thereby supporting the government's

borrowing program. Furthermore, the Company's secondary market outright turnover for FY 2024-25 stood at 6.67 per cent of the average Central Government Dated Securities outright market turnover during the previous three financial years, surpassing the mandated 2 per cent.

Material Changes and Commitments

No material changes and commitments affecting the Company's financial position have occurred after the close of the financial year till the date of this report.

Capital Adequacy

Capital adequacy ratio as on March 31, 2025 stood at 42.68 per cent as against the RBI stipulation of 15 per cent.

Dividend

Your Directors are pleased to recommend a final dividend of ₹ 1/- (i.e. 10 per cent) per equity share of face value of ₹ 10/- per share for the year ended 31st March, 2025, subject to approval in the ensuing Annual General Meeting.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations" or "Listing Regulations") is available on the Company's website on https://www.pnbgilts.com/uploads/corporate_governance/Dividend_Distribution_Policy.pdf. No change was made in the said policy during the financial year 2024-25 except for the updating of the name of the relevant RBI Master Directions.

Transfer to Reserves

Your Directors propose to transfer a sum of ₹ 4660.61 lakhs to the Statutory Reserve as required under the provisions of Section 45-IC of the Reserve Bank of India Act, 1934. Further, in terms of the first proviso to Section 123(1) of the Companies Act, 2013, the Company proposes not to transfer any sum in General Reserve.

2. CORPORATE GOVERNANCE

Corporate Governance for your Company means achieving a high level of accountability, efficiency, responsibility, and fairness in all areas of operations. Our workforce is committed to protecting the interests of stakeholders, including shareholders, creditors, investors, customers, employees, etc. Our policies consistently undergo improvements, keeping in mind our goal, i.e., maximization of the value of all stakeholders.

We comply with the SEBI and RBI guidelines on Corporate Governance. We have documented our internal code on Corporate Governance in compliance of SEBI and RBI guidelines. The Corporate Governance practices followed by the Company are given in the Corporate Governance section of this Annual Report. A certificate from M/s AKP & Associates, Company Secretaries, regarding compliance with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations is enclosed with the 'Report on Corporate Governance' forming part of the Board's Report.

Number of meetings of the Board

The Board met eleven (11) times during the financial year 2024-25 to review strategic, operational, technological, and financial matters and lay down policies and procedures for the company's operational management. The details of such meetings are given in the 'Report on Corporate Governance' that forms part of this Board's Report.

Directors and Key Managerial Personnel (KMP)

During the financial year 2024-25, following changes happened in the composition of Directors and KMPs:

- a. Sh. Prem Prakash Pareek (DIN: 00615296), who was appointed as an Independent Director of the Company for second term of 5 consecutive years effective from 30.08.2019 till 29.08.2024, has ceased to be Director w.e.f. 30.08.2024 upon completion of tenure.

- b. The Board of Directors had, on the recommendation of the Nomination & Remuneration Committee, appointed Sh. Raj Kamal Verma (DIN: 07847454) as Additional Director and designated him as an Independent Director of the Company with effect from 10.10.2024 for a term of 3 consecutive years, subject to approval of the members. Subsequently, the members had, vide resolution passed through postal ballot on January 3, 2025, approved the appointment of Sh. Raj Kamal Verma as an Independent Director of the Company with effect from 10.10.2024, for a term of 3 consecutive years.
- c. The Board of Directors had, on the recommendation of the Nomination & Remuneration Committee, appointed Dr. Rekha Jain (DIN: 01586688) as Additional Director and designated her as an Independent Director of the Company with effect from 07.11. 2024 for a term of 3 consecutive years, subject to approval of the members. Subsequently, the members had, vide resolution passed through postal ballot on January 3, 2025, approved the appointment of Dr. Rekha Jain as an Independent Director of the Company with effect from 07.11.2024, for a term of 3 consecutive years.
- d. Dr. Neharika Vohra (DIN: 06808439) resigned from the position of Independent Director of the Company w.e.f. 11.11.2024 due to her other professional commitments at IIMA. She has confirmed that there are no other material reasons other than those provided. Other relevant details are given in Report on Corporate Governance forming part of this Report.
- e. Sh. Vikas Goel (DIN: 08322541) resigned from the position of Managing Director & CEO of the Company on 16.12.2024 due to his personal reasons and he was relieved from the close of business hours of 23.12.2024. In his place, the Board has appointed Sh. Pareed Sunil, Deputy CEO as an Additional Director and the Managing Director & CEO (Key Managerial Personnel) of the Company for a period of 3 years, effective from the date of receipt of approval from the Reserve Bank of India or allotment of Director Identification Number (DIN) by Ministry of Corporate Affairs (MCA), whichever is later, subject to the requisite sanction of the members of the Company. The Ministry of Corporate Affairs allotted DIN to Sh. Pareed Sunil on March 13, 2025 and the Reserve Bank of India vide its letter dated June 19, 2025 conveyed its approval for the appointment of Sh. Pareed Sunil on the Board of Directors of PNB Gilts Ltd. Accordingly, Sh. Pareed Sunil (DIN: 11001150) is the Additional Director designated as the Managing Director & CEO of the Company with effect from the date of receipt of approval from the Reserve Bank of India, i.e. June 19, 2025.

Your directors wish to place on record their appreciation for the contributions made by Shri Prem Prakash Pareek, Dr. Neharika Vohra and Sh. Vikas Goel during their respective associations with the Company.

Further, in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Sh. Kalyan Kumar (DIN: 09631251) shall retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

In the opinion of the Board, all the independent directors appointed/ re-appointed during the year are person of integrity and having requisite expertise, skills and experience (including the proficiency) required for their role.

None of the Directors are debarred from holding the office of Director pursuant to order of SEBI or any other authority. Sh. Gopal Singh Gusain, Independent Director, has been regularized by members on June 5, 2024.

There were no changes in key managerial personnel of the Company, except as mentioned at Sl. No. 'e' above.

Performance Evaluation

In terms of the requirement of the Companies Act, 2013 and the SEBI Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The Board along with the Nomination and Remuneration Committee has laid down the criteria of performance

evaluation of Board, its Committees and Individual Directors which is available on the website of the Company at https://www.pnbgilts.com/uploads/corporate_governance/Directors_Evaluation_Policy.pdf. These criteria are broadly based on the Guidance note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Board evaluated its performance after seeking inputs from all the Directors based on criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the respective committee members based on criteria such as the composition of committees, effectiveness of committee meetings, etc.

The NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director like commitment, contribution, initiative for growth of company etc. preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of (a) non-independent directors; (b) the board as a whole; and (iii) the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

In the Board meeting and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The evaluation process endorsed the Board's confidence in the ethics standards of the Company, cohesiveness amongst the Board members, flexibility of the Board and management in navigating the various challenges faced from time to time and openness of the management in sharing strategic information, if any, with the Board. The Committees are also functioning well.

In general, the outcome of such evaluation process was found satisfactory.

Policy on Directors' Appointment and Remuneration etc.

The policies of the Company on Directors' Appointment and Remuneration formulates the criteria for determining qualifications, competencies, positive attributes and independence of a Director and other matters like remuneration of directors, key managerial personnel, senior management and other employees. The policy relating to the remuneration of Directors, Key Managerial Personnel and other employees is framed with the object of attracting, retaining and motivating talent which is required to run the Company successfully.

There was no change in these policies. The policies are available on the website of the Company at the link: https://www.pnbgilts.com/uploads/corporate_governance/Eligibility_Criteria.pdf and https://www.pnbgilts.com/uploads/corporate_governance/Remuneration_Policy.pdf.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 and SEBI Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, skills, experience (including proficiency) and expertise and they hold highest standards of integrity and are independent of the management.

Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report for the year under review, as stipulated under Regulation 34(2)(f) of SEBI Listing Regulations, forms part of the Board's Report.

3. OTHER DISCLOSURES –

Details of Committees

The details in relation to the composition of Audit Committee, Corporate Social Responsibility Committee and other board level committees have been given in Report on Corporate Governance forming part of the Board's Report.

All the recommendations made by the Audit Committee during the year were accepted by the Board.

CSR

There was no change in the CSR Policy during FY 2024-25. The CSR policy of the Company is available at Company's website at the link https://www.pnbgilts.com/uploads/corporate_governance/CSR_Policy.pdf. The CSR activity of the Company is carried out as per the instructions of the Committee and Board. The annual report on the CSR for the year 2024-25 in the prescribed format, inter-alia containing the brief of CSR Policy, CSR Committee along with objects and expenditure details etc., is presented at Annexure A to the Board's Report.

Other details of above said and other Committees of the Board are given in the 'Report on Corporate Governance' forming part of the Board's Report.

Whistle Blower Policy (including Vigil Mechanism)

Your Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Your Company is committed to develop a culture where it is safe for directors and employees to raise concerns about any wrongful conduct.

The Board of Directors have approved a Whistle Blower Policy (including Vigil Mechanism), which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. The Audit Committee reviews the functioning of this mechanism. The mechanism also provides for direct access to the Audit Committee/Chairman of Audit Committee. During the year under review, no such matter has been reported to the Audit Committee. The said policy may be accessed on the Company's website at the link https://www.pnbgilts.com/uploads/corporate_governance/Whistle_Blower_Policy.pdf

Contracts and Arrangements with Related Parties

Details of all the contracts/ arrangements/ transactions entered by the company which are (i) in ordinary course of business and not at arm's length; and (ii) those which are material in nature are given in form AOC-2 at Annexure B. Company's Policy/SOP on Related party Transactions can be accessed at the Company's website at the link https://www.pnbgilts.com/uploads/corporate_governance/RPT_Policy.pdf

Subsidiaries

The Company is not having any subsidiary or associate or joint venture. It is not required to consolidate the financial statements in terms of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014. However, the financial statements of the Company for FY 2024-25 had already been considered by its parent bank i.e. Punjab National Bank for the purpose of consolidation.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards read with the requirements setout under the Schedule III to Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit and loss of the Company for the year ended on that date;

- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Human Resource Management

Your Company treats its human resources as one of its most important assets. To ensure good human resource management in the Company, the Company focuses on all the aspects of employee life cycle. During their tenure in the Company, employees are motivated through various skill development and volunteering programmes. Recreational programmes are also conducted on regular basis so as to create stress-free environment. All the while, the Company also creates effective dialogues through various communication channels like face to face interactions so as to ensure that feedback reach the relevant teams. In house meetings and training sessions are also arranged to engage and develop the employees and to gather ideas around innovation.

The information required to be disclosed under Section 197(12) and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided at Annexure C.

The information required pursuant to Section 134 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Board report and shall be provided to the members upon specific request. In terms of Section 136 of the Act, the report and accounts are being sent to members, excluding the information on employees' particulars, which is available for inspection by the members at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing General Meeting. Interested members may write to the Company. No employee is related to any Director of the Company.

Sexual Harassment at Workplace

Your Company has complied with provisions relating to the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee and has put in place a formal policy for prevention of sexual harassment of its employees at workplace. The details pertaining to number of sexual harassment complaints during the year has been provided below:

- a. Number of pending complaints in the beginning of FY 2024-25 : Nil
- b. Number of complaints received during the FY 2024-25 : Nil
- c. Number of complaints disposed of during the year : Nil
- d. Number of cases pending for more than 90 days : Nil
- e. Number of complaints pending as on end of the FY 2024-25 : Nil

Particulars of Loans given, investment made, guarantees given and securities provided

The Company, being a non-banking financial company registered with RBI and engaged in the business of acquisition of securities, is exempt from complying with the provisions of Section 186(4) of the Companies Act, 2013 in respect of loans given, investments made, security provided and guarantees given. Accordingly, the disclosures required under the aforesaid section have not been made in this Report.

Annual Return

As per Section 134(3)(a) of the Companies Act, 2013, the Annual Return referred to in Section 92(3) of the Companies Act, 2013 has been placed on the website of the Company and can be accessed at https://www.pnbgilts.com/investors-relations#annual_report

Deposits

During the year ended March 31, 2025, the Company has not accepted any deposit from the public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Risk Management

In terms of RBI guidelines for NBFCs and Primary Dealers and the Listing Regulations, Risk Management Committee of the Board has been entrusted with the responsibility by the Board in laying down procedures for risk assessment and minimization. The Committee also reviews these procedures periodically to ensure that executive management is implementing and controlling the risks through means of a properly defined risk framework. The composition of the said Committee and terms of reference are given in Report on Corporate Governance forming part of the Board's Report.

The Company also have an Asset–Liability Committee (ALCO) of executives of the Company comprising of the Managing Director & CEO, Executive Director/Deputy CEO, CFO, Senior Executive Vice President, Chief Dealer and Head Mid- office/ Heads of Risk / CRO of the Company.

The Risk Management Committee reviews the (a) Risk Management Policy, (b) Risk Governance Framework, (c) Fraud Risk Management Policy, (d) Operational Risk Management Policy, (e) Climate Risk Management Policy, and (f) ICAAP Policy, and on the basis of the recommendation of this Committee, the Board approves the same.

The Risk Management Department of the Company is an independent unit, headed by Mid Office Head who functionally reports to the Risk Management Committee (RMC), and is responsible for measurement and monitoring of risk limits within the risk management framework of the Company. The responsibilities of the Risk Management Department include establishment of policies and procedures, development of models for estimation of risk and management of risks in a holistic manner across the Company. The department performs critical functions related to identification of risk, conducting risk analysis (including assessment and measurement), and conducting data analytics, providing MIS and reporting observations, if any. The said department is also responsible for identification, measurement and monitoring of the adherence to prudential limits laid down in the Company's policies and the regulatory limits.

The Risk Management Committee, IT Strategy Committee and Audit Committee, on periodic basis, oversees all the risks that the Company faces such as strategic, financial, market, liquidity, security, geo-political, climate, IT, cyber security, legal, regulatory and other identified risks alongwith the implementation of risk management policy. There is an adequate risk management infrastructure in place capable of addressing the possible risks. Based on the robust risk management framework and regular monitoring of all major risk areas within the Company, the Board is satisfied that there are no factors that could adversely affect the existence of the Company. For further details Business Responsibility and Sustainability Report may also be referred, which forms integral part of this Report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Issue of Shares

There was no issue of shares during the year neither with differential rights as to dividend, voting or otherwise nor to employees of the company.

Management Discussion and Analysis

Management Discussion and Analysis comprising an overview of the financial results, operations/performance and future aspects forms part of this Board's Report.

Secretarial Standards

The Company has complied with all mandatorily applicable Secretarial Standards.

Non-applicability of Section 148 of Companies Act, 2013

The Company is not required to maintain cost records in accordance with Section 148 of the Companies Act 2013.

Others

No application has been made under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) ("the IBC, 2016"), hence, the requirement to disclose the details of application made or any proceeding pending under the IBC, 2016 during the year along with their status as at the end of the financial year is not applicable

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable, as there was no such instance of one-time settlement.

There was no change in nature of business.

The Company has complied with the provisions of the Maternity Benefit Act, 1961.

The details of all the 11 Board meetings held during the FY 2024-25 are as under:

Date of meeting	Total Number of directors as on the date of meeting	Attendance	
		Number of directors Attended	% of Attendance
01/05/2024	7	7	100.00
12/06/2024	7	5	71.43
24/07/2024	7	7	100.00
20/08/2024	7	6	85.71
24/10/2024	7	6	85.71
28/11/2024	7	6	85.71
16/12/2024	7	6	85.71
14/01/2025	6	6	100.00
28/01/2025	6	5	83.33
26/02/2025	6	5	83.33
29/03/2025	6	6	100.00

The details of all the 32 board level committee meetings held during the FY 2024-25 are as under:

Type of Committee meeting	Date of meeting	Total Number of Committee Members as on the date of meeting	Attendance	
			Number of committee members attended	% of Attendance
Audit Committee Meeting	25/04/2024	4	4	100.00
Audit Committee Meeting	01/05/2024	4	4	100.00
Audit Committee Meeting	07/05/2024	4	4	100.00

Audit Committee Meeting	23/07/2024	3	3	100.00
Audit Committee Meeting	24/07/2024	3	3	100.00
Audit Committee Meeting	22/10/2024	3	3	100.00
Audit Committee Meeting	24/10/2024	3	3	100.00
Audit Committee Meeting	28/01/2025	4	4	100.00
Audit Committee Meeting	24/02/2025	4	4	100.00
Audit Committee Meeting	09/03/2025	4	4	100.00
Audit Committee Meeting	29/03/2025	4	4	100.00
Corporate Social Responsibility Committee Meeting	02/08/2024	4	3	75.00
Corporate Social Responsibility Committee Meeting	21/01/2025	4	4	100.00
Corporate Social Responsibility Committee Meeting	20/03/2025	4	3	75.00
Nomination and Remuneration Committee Meeting	03/06/2024	4	4	100.00
Nomination and Remuneration Committee Meeting	23/07/2024	3	3	100.00
Nomination and Remuneration Committee Meeting	20/09/2024	3	3	100.00
Nomination and Remuneration Committee Meeting	01/10/2024	3	3	100.00
Nomination and Remuneration Committee Meeting	30/10/2024	3	3	100.00
Nomination and Remuneration Committee Meeting	16/12/2024	4	4	100.00
Nomination and Remuneration Committee Meeting	26/02/2025	4	3	75.00
Nomination and Remuneration Committee Meeting	29/03/2025	4	4	100.00
Stakeholders Relationship Committee Meeting	20/03/2025	3	2	66.67
Risk Management Committee Meeting	26/06/2024	3	3	100.00
Risk Management Committee Meeting	14/08/2024	3	3	100.00
Risk Management Committee Meeting	10/09/2024	3	3	100.00
Risk Management Committee Meeting	28/12/2024	4	4	100.00
Risk Management Committee Meeting	29/03/2025	4	4	100.00
IT Strategy Committee Meeting	26/06/2024	3	3	100.00
IT Strategy Committee Meeting	10/09/2024	3	3	100.00
IT Strategy Committee Meeting	28/12/2024	4	4	100.00
IT Strategy Committee Meeting	20/03/2025	4	4	100.00

CSR Details:

Details on policy development and implementation by company on corporate social responsibility initiatives taken during year 2023-24:

Turnover (in Rs.) – Rs. 44,44,65,09,00,000

Net worth (in Rs.) – Rs. 13,13,35,46,744

Net profits for last three financial years:

Financial year ended	2023-24	2022-2023	2021-2022
Profit before tax (In Rs.)	98,81,32,773	(85,06,61,502)	2,10,15,09,591
Net Profit computed u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014 (in Rs.)	61,24,449	(18,42,44,752)	3,07,29,42,122

Amount spent in local area (in Rupees) during FY 2024-25: Rs. 1,35,68,400/-

The manner in which the amount spent during the financial year 2024-25 is given below

Number of CSR activities: 2, detailed below

S. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or programs - Specify the State /Union Territory where the Project/ Program was Undertaken	Projects or programs - Specify the district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs (in Rs.)	Expenditure on Administrative overheads (in Rs.)	Mode of Amount spent
1	Fitment of Artificial Limbs, Calipers, and other aids & Appliances to the person with disability	Promoting health care including preventive health and sanitation	PAN India	Assam, Bihar, Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Lumbini, Madhya Pradesh, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal, Sikkim,	1,44,12,430	1,44,12,430	8,00,900.20	Indirect - Implementing Agency Shree Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS)
2	Cervical Cancer Vaccination	Promoting health care including preventive health and sanitation	Delhi / NCR	Ghaziabad, Uttar Pradesh	29,56,500	29,56,500	1,64,039.80	Indirect - Implementing Agency Beautiful Tomorrow

Details (name, address and email address) of implementing agency(ies) are under-

1. Name: Better World Foundation
Address: SE-12, Shastri Nagar, Ghaziabad, Uttar Pradesh – 201002
Email Address: madhu.1950@yahoo.com
2. Name: Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS)
Address: 13-A, Gurunak Path, Malviya Nagar, Jaipur (Rajasthan)
Email Address: bmvss75.prmddelhi@gmail.com

4. AUDITORS, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Statutory Auditor

The Comptroller and Auditor General of India had appointed M/s Batra Deepak & Associates, Chartered Accountants (Firm Reg. No. 005408C) as the Statutory Auditor of the Company for the financial year ended March 31, 2025. Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditor of the Company has not reported any incident of fraud during the FY 2024-25. The Auditor Report is self-explanatory and does not contain any qualification, reservation or adverse remark etc.

Comments of Comptroller & Auditor General of India (C&AG)

The financial Statements for the Financial Year ended March 31, 2025, along with the auditors' report thereon, were submitted to the C&AG for supplementary audit. The Comments of Comptroller & Auditor General of India (C&AG) and the reply of the Management thereto form part of this Report, is annexed as Annexure D.

Secretarial Auditor

The Board had appointed M/s AKP & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year 2024-25. The Secretarial Audit Report for the financial year ended March 31, 2025, is annexed as Annexure E to this Report. The Report is self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimer etc.

Internal financial control systems and their adequacy

The Company considers the internal control systems to be a very significant part of its Corporate Governance practices. Your Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds etc. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. The Company has a well-defined delegation of power with authority limits for approving transactions/contracts including expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. M/s Batra Deepak & Associates, the statutory auditor of the Company has audited the financial statements included in this annual report and have issued a report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

As a part of this control system, your Board appoints Internal Auditor and other auditors as well. Accordingly, these internal controls are routinely tested and certified by the auditors.

Your Board appointed M/s Grant Thornton Bharat LLP as the Concurrent Auditor of the Company and also framed a separate Internal Audit Function, headed by Head of Internal Audit, of the Company in compliance with RBI circular no. DoS.CO.PPG./SEC.05/11.01.005/2020-21 dated February 3, 2021. Your Company also has in place a Risk Based Internal Audit (RBIA) Policy, in line with the RBI directions.

The scope of concurrent audit included audit of treasury transactions on a monthly basis and reporting to the Audit Committee of the Board that the company has operated within the limits of various risk parameters laid down by the Board, Reserve Bank of India and other statutory authorities. Besides, the said firm also audited and reviewed the related party transactions on monthly basis and the key business processes. The Internal Audit department as part of Risk Based Internal Audit does the testing of controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

All the reports of the Concurrent Auditor and Internal Auditor were submitted to the Audit Committee. Timeliness of submission of all the periodic statutory returns/forms etc. to regulatory bodies was also checked by the Concurrent Auditor. The Audit Committee reviews adequacy and effectiveness of the Company's internal

control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

5. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is a Primary Dealer, regulated by the Reserve Bank of India and thus its operations are not highly energy intensive. However, the Company has been focusing on sustainability and cultivating climate conscious culture wherein aspects like resource conservation, waste generation, energy efficiency, judicious consumption are given prime importance. Rationalizing the Company's printing requirements remains a priority within the business. This can eventually enable reduction in energy consumption in day-to-day operations of the Company.

For procurement of equipment required to run our operations, such as computer hardware, air conditioners, energy efficiency standards (viz. 5-star ratings) are duly considered during purchase. Majority of the initiatives such as, LEDs, energy efficient architecture, etc. are present in select leased offices/ touch points and proper care is taken to ensure such initiatives remains a priority while onboarding a new office. Every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible. These measures also include switching off lights and computer systems when not in use, creating awareness among employees about the necessity of energy conservation etc.

The capital investment on energy conservation equipment was Nil.

Your Company extensively uses the information technology in its operations and has installed the integrated treasury management software and RBI's Negotiated Dealing System with the help of The Institute for Development and Research in Banking Technology (IDRBT) and reputed IT companies. There are other software also being used in the company for day-to-day operations. Your Company has leveraged the technology to minimize the risk, management of its cash flows, compliance and audit etc.

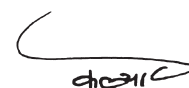
Your company has neither imported any technology during the last three years reckoned from the beginning of the financial year nor it has incurred any expenditure on research and development on technology.

Your Company has neither used nor earned any foreign exchange during the year under review.

Acknowledgements

Your Directors thank the Government of India, Reserve Bank of India, Securities and Exchange Board of India, National Stock Exchange of India Ltd., BSE Ltd., Parent Bank, Commercial Banks, Cooperative & Regional Rural Banks, Financial Institutions, PF Trusts, Public Sector Undertakings, Private Sector Corporate Bodies and other valued clients for their whole-hearted support. We acknowledge the sincere and dedicated efforts put in by the employees of the Company at all levels.

On behalf of Board of Directors



(Kalyan Kumar)
Chairman
DIN: 09631251

Date : July 23, 2025

Place: New Delhi

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. Brief outline on CSR Policy of the Company:

As a responsible corporate citizen, the Company strives to enhance its commitment across all levels to operate in an economically and socially sustainable manner. Recognizing the interests of all stakeholders, we undertake programs that directly or indirectly benefit society at large. Our CSR Policy complies with the provisions of Section 135 of the Companies Act, 2013, and the associated rules, covering the following areas

- Guiding principles for selection and implementation of CSR activities
- Governance mechanism and formulation of the Annual Action Plan
- Mode of implementation of CSR activities of the Company
- Process for approval of CSR activities
- Monitoring mechanism
- Key focus areas for CSR activities

2. Composition of CSR Committee:

The composition of the CSR Committee during the financial year 2024-25 was as under:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during their tenure	Number of meetings of CSR Committee attended
1	Dr. Neharika Vohra	Chairperson, Independent & Non-Executive Director (upto 11.06.2024)	0	0
2	Sh. Amit Kumar Srivastava	Chairperson, Non-Independent & Non-Executive Director (w.e.f. 12.06.2024 and upto 08.12.2024)	1	0
		Member, Non-Independent & Non- Executive Director (w.e.f. 09.12.2024)	2	1
3	Dr. T.M. Bhasin	Member, Independent & Non-Executive Director (upto 08.12.2024)	1	1
		Chairperson, Independent & Non-Executive Director (w.e.f. 09.12.2024)	2	2
4.	Sh. Prem Prakash Pareek	Member, Independent & Non-Executive Director (upto 29.08.2024)	1	1
5	Sh. Vikas Goel	Member, Non-Independent & Executive Director – CEO (upto 08.12.2024)	1	1

6	Dr. Rekha Jain	Member, Independent & Non-Executive Director (w.e.f. 09.12.2024)	2	2
7	Sh. Raj Kamal Verma	Member, Independent & Non-Executive Director (w.e.f. 09.12.2024)	2	2

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The CSR Policy, Composition of the CSR Committee and CSR projects approved by the Board of the Company is available on the website of the Company (<https://www.pnbgilts.com>), at the following links:

- Composition of the CSR Committee: https://www.pnbgilts.com/uploads/annoucement/Committee_Composition_24_12.pdf
- CSR Policy: https://www.pnbgilts.com/uploads/corporate_governance/CSR_Policy.pdf
- Approved CSR Projects -
- https://www.pnbgilts.com/uploads/corporate_governance/CSR_Annual_Action_Plan_FY_2024_25.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The same is not applicable to the company in the current financial year 2024-25.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 9,649.41 lacs
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 192.99 lacs
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set-off for the financial year, if any: Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 192.99 lacs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 183.34 lacs
 (b) Amount spent in Administrative Overheads: ₹ 9.65 lacs
 (c) Amount spent on Impact Assessment, if applicable: Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 192.99 lacs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ lacs)	Amount Unspent (in ₹ lacs)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 192.99 lacs	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ lacs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 192.99

(ii)	Total amount spent for the Financial Year	₹ 192.99
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Not applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹ lacs)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹ lacs)	Amount Spent in the Financial Year (in ₹ lacs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ lacs)	Deficiency, if Any
					Amount (in ₹ lacs)	Date of transfer		
1	2023-2024	198.98	-	198.98	-	-	-	-
2	2022-2023	8.80	-	8.80	-	-	-	-
3	2021-2022	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/ acquired - Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ lacs)	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
	Not Applicable						

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

Not Applicable.

In alignment with the CSR policy and objectives set by the board for the current financial year, funds have been allocated to new projects. All projects were successfully completed by March 31, 2025, with the full utilization of the allocated CSR funds by the Company and its partners.

From the previous year's ongoing projects, ₹ 111.98 lacs were allocated to the "Cancer Mukh Delhi" project, managed by the Indian Cancer Society, and ₹ 87.00 lacs were allocated to the "Cervical Cancer Vaccination" project, overseen by The Rotary Foundation, from the unspent CSR account. Both projects utilized their respective funds within the current financial year.

Additionally, an unspent balance of ₹ 8.80 lacs from the FY 2022-23 has been utilised in the current financial year. This amount was earmarked for maintenance fees for the financial year 2024-25 for the “Aravalli Oxy Van” project, managed by the implementing agency “I am Gurgaon”.

10. It is certified that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

On behalf of Board of Directors

A stylized signature of Pareed Sunil.

(Pareed Sunil)

Managing Director & CEO
DIN: 11001150

A stylized signature of Tejendra Mohan Bhasin.

(Tejendra Mohan Bhasin)

Chairperson - CSR Committee
DIN: 03091429

Date : July 23, 2025

Place: New Delhi

Form AOC-2

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts/arrangements or transactions entered into during the financial year ended March 31, 2025, which were not at arm's length basis:

1	Name(s) of the related party and nature of relationship	Punjab National Bank (PNB), parent bank	Punjab National Bank (PNB), parent bank	Punjab National Bank (PNB), parent bank
2	Nature of contracts/ arrangements/ transactions	Availing or rendering of any services	Leasing of property (residential premises)	Leasing of property (business premises)
3	Duration of the contracts / arrangements/ transactions	Mutual arrangement on a continuous basis for holding various meetings like meetings of the Board and its Committees, general meetings, and other meetings of the company at the premises of PNB and vice versa.	Residential Flats of the Company to PNB officers as per their entitlement in PNB for a period of 11 months, with two/more extensions.	Business premises from PNB taken on lease / rent sharing arrangement - Mumbai Branch Office: The lease for 5 years is effective from September, 2016, renewable after every five years. (The said lease was terminated w.e.f October 7, 2024, and the company has shifted its Mumbai office to new premises whose rent is on an arm's length basis.)
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The same is being done in view of the parent-subsidary relationship and on mutual understanding. No charges are being paid	Residential premises: Rent is as per the lease entitlement of PNB officers in PNB.	Mumbai Branch Office: Rent till vacation of premises was ₹ 273434/- p.m. plus taxes.
5	Justification for entering into such contracts or arrangements or transactions	The Company and parent bank are entering in to these transactions due to its parent- subsidiary relationship.	The Company and parent bank are entering into these transactions due to its parent-subsidary relationship. As a matter of policy, the Company does not enter such property related transactions without side parties. Further, the Company will also be able to get their residential flats vacated at anytime they need the same for their officers/ sale.	The Company and parent bank are entering into these transactions due to its parent-subsidary relationship.
6	Date(s) of approval by the Board	03.08.2015	29.01.2015	26.10.2016.
7	Amount paid as advances, if any	Nil	Nil	Nil

8	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Act	Not required as the same is below the limit specified under first proviso to Section 188 of the Companies Act, 2013 and Rules made thereunder	Not required as the same is below the limit specified under first proviso to Section 188 of the Companies Act, 2013 and Rules made thereunder	Not required as the same is below the limit specified under first proviso to Section 188 of the Companies Act, 2013 and Rules made thereunder
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Above transactions are in ordinary course of business.

2. Details of material contracts or arrangement or transactions at arm's length basis –

(₹ in lacs)

(a)	Name(s) of the related party and nature of relationship	Punjab National Bank, promoter of the company holding majority stake	Dakshin Bihar Gramin Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	Sarva Haryana Gramin Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	Punjab Gramin Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	Himachal Pradesh Gramin Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	Prathama Up Gramin Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	Assam Gramin Vikash Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	Tripura Gramin Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	Bangiya Gramin Vikash Bank, Associate of Punjab National Bank, promoter of the company holding majority stake	PNB Housing Finance Ltd., Associate of Punjab National Bank, promoter of the company holding majority stake
(b)	Nature of contracts / arrangements / transactions	Security Purchase, Rent Paid for office premise, Bank Charges Paid, Overdraft facility, Bank Balance, Dividend Paid, Arranger Fee, Power, Fuel & Electricity, Fixed Deposit Receipts, Interest paid/payable on Line of credit/OD facility, Processing Fees on LOC, management contracts & any other transactions	Security Purchase, Security Cover Purchase Against Short Sale, Security Sale, Short Sale, Reverse Repo including interest thereon, Borrowing of Call, Notice & Term Money, Interest paid thereon, Fee income	Security Purchase, Security Sale, Repo including interest thereon, Borrowing of Call, Notice & Term Money, Interest paid thereon, Fee income	Security Purchase, Security Cover Purchase Against Short Sale, Security Sale, Reverse Repo including interest thereon, Borrowing of Call, Notice & Term Money, Interest paid thereon, Fee income	Security Purchase, Security Cover Purchase Against Short Sale, Security Sale, Borrowing of Call, Notice & Term Money, Interest paid thereon, Fee income	Security Purchase, Security Sale, Fee income	Security Purchase, Security Cover Purchase Against Short Sale, Security Sale, Borrowing of Call, Notice & Term Money and Interest paid thereon, Fee income	Security Purchase, Security Cover Purchase Against Short Sale, Security Sale, Borrowing of Call, Notice & Term Money, Interest paid thereon, Fee income	Security Purchase, Security Cover Purchase Against Short Sale, Security Sale, Borrowing of Call, Notice & Term Money, Interest paid thereon, Fee income	Fee income
(c)	Duration of the contracts/ arrangements/ transactions	2022-23 to 2024-25									

(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	589715.31	217786.41	34593.93	58916.30	13587.36	17196.08	17325.91	1046.47	632488.18	9982.41
		Generally, Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents, whether related or nonrelated entity, will be per Business Policy of the Company. For, further details please refer notice of Extra Ordinary General Meeting held on March 29, 2022, available on the website of the Company i.e. www.pnbgilts.com .									
(e)	Justification for entering into such contracts or arrangements or transactions	The said transactions are undertaken on regulated platforms at market place, since the related parties of the Company also undertaken similar transactions on the said platforms, therefore in the ordinary course of business, the Company executes such transactions with its related parties. The Company has great synergy with its related parties, as the nature of business is same and this business is expected to grow in future also at a healthy rate. The securities market is expected to become larger in the coming years and the financial sector is expected to participate in this growing pie at an accelerated pace. Punjab National Bank, Promoter cum majority shareholder of the Company, is one of the leading scheduled banks in India. This helps the Company in availing credit line(s) and other banking facilities on competitive terms along with ease of convenience, which helps the Company to execute business transactions much more efficiently. Further pan India presence of PNB also facilitates usage of its infrastructure for smooth business operations.									
(f)	Date(s) of approval by the Board, if any	March 7, 2022									
(g)	Amount paid as advances, if any	Nil									

On behalf of Board of Directors


(Kalyan Kumar)
 Chairman
 DIN: 09631251

Date : July 23, 2025
 Place: New Delhi

Particulars of Employees

Pursuant to the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the information is furnished below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2024-25

(₹ in lacs)

Sl. No	Name of Director	Director's Remuneration	Employee Median Remuneration	Ratio (No. of times)
1	Sh. P. P. Pareek	6.45	20.21	0.34
2	Dr. T. M. Bhasin	19.80		1.05
3	Dr. Neharika Vohra	2.80		0.15
4	Sh. Gopal Singh Gusain	19.50		1.03
5	Sh. Raj Kamal Verma	8.85		0.47
6	Dr. Rekha Jain	10.00		0.53
7	Sh. Vikas Goel	114.50*		6.07

* During FY 2024-25, neither any variable pay nor any annual increment was paid to him. Above remuneration includes payment in lieu of notice period.

Notes: 1. Sitting fee is payable to Independent Directors only. Directors at Sl. No. 1 to 6 above are Independent Directors.

2. No sitting fee is paid to Non-Independent Directors.

3. Out-of-pocket expenses incurred by directors for attending the meetings and GST not taken into account.

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl.No	Name of Director and Key Managerial Personnel	% increase in remuneration
1	Sh. P. P. Pareek	-
2	Dr. T. M. Bhasin*	106.25
3	Dr. Neharika Vohra	-
4	Sh. Gopal Singh Gusain	-
5	Sh. Raj Kamal Verma	-
6	Dr. Rekha Jain	-
7	Sh. Vikas Goel	(3.43)**
8	Smt. Monika Kochar	8.90***
9	Sh. Chandra Prakash	4.79****

* received only sitting fee during the year.

**Neither variable pay was paid nor was any annual increment given to him during FY 2023-24 and 2024-25.

***No variable pay was paid to her. Apart from this, benefit on account of leave encashment and gratuity which are provided based on actuarial valuation for the company as a whole is available.

****No variable pay is paid by the Company to CFO in accordance with the policy. Salary arrears have been released in accordance parent bank's service rules.

Except above, there was no increase in remuneration of other Directors as either they were not directors/KMP in FY 2023-24 or were appointed/ceased to be director/KMP during FY 2024-25. Further with respect to Independent Director at Sl. No. 2, increase in remuneration is on account of change in composition of committees multiple times during FY 2024-25 and also due to increase in number of meetings held during FY 2024-25 as compared to FY 2023-24.

- c. In the financial year 2024-25, there was an increase of 7.20 per cent in the median remuneration of employees.
- d. Total number of employees of the Company as on March 31, 2025 were 53 (including 3 employees on deputation from parent bank). Out of these, 39 were male employees and remaining 14 were female employees. The Company has maintained peaceful and harmonious relations with all its employees.
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2024-25 was 10.45 per cent where as the increase in managerial remuneration was (3.43) per cent in this period (as mentioned above in Sl. No. b above, the decline is majorly due to reason that neither annual increment nor performance linked incentive was given in FY 2024-25).
- f. It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.
- g. Transgender employees in the Company as on March 31, 2025 were NIL.

On behalf of Board of Directors

Date : July 23, 2025

Place: New Delhi

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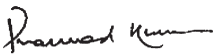
(Kalyan Kumar)

Chairman

DIN: 09631251

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PNB GILTS LIMITED FOR THE YEAR ENDED 31 MARCH 2025 AND MANAGEMENT REPLY THERETO:

Comments	Management's reply
The preparation of financial statements of PNB Gilts Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 2 May 2025. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of PNB Gilts Limited for the year ended 31 March 2025 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:	Statement of Fact
A. Comment on Profitability A.1 Balance Sheet as at 31 March 2025 Liabilities - Non - Financial Liabilities Provisions: ₹ 1.98 crore (Note 18) The above does not include a provision of ₹4.66 crore towards payment of royalty fee by PNB Gilts Ltd. (Company) for usage of brand name/logo of Punjab National Bank (PNB). The Company entered (18 March 2025) into a Trade mark license agreement (agreement) with PNB. As per clause 5.2 of the agreement, the Company agreed to pay PNB based on the formula specified in the agreement. Audit, however, noticed that the	As per the agreement signed with PNB, royalty is to be paid on the higher of: 0.20% of revenue on the basis of last standalone audited financial statements or 2% of PAT on the basis of last standalone audited financial statements. Subject to a cap on Royalty i.e. cap on royalty fee shall be lower of the following: 3% of PAT on the basis of last standalone audited financial statements or

Company has not provided for the royalty fee amounting to ₹ 4.66 crore in its books of accounts for the financial year 2024-25. Since, there was a legal obligation to pay the royalty fee, necessary provision for the same should have been made in the books of accounts as per the provisions of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) and as per the accrual principle of accounting. Non-provision of the royalty fee has resulted in understatement of provision and overstatement of profit by ₹ 4.66 crore each.	Rs. 30 crores. As approved by the Board and as per agreement with PNB, the calculation of royalty is on the basis of last standalone audited financial statements, therefore provision of royalty pertaining to FY 2024-25 will be accrued in the next financial year only.
B. Comments on Notes to Accounts B.1 Summary of material accounting policies information (Note 2) Summary of Other Accounting policies Information IV. Employee Benefit Expenses The above accounting policy, inter-alia, stipulates that Post-Retirement Medical Benefit expense is borne by the company for all the superannuated employees who have served the company for a minimum of ten years and their spouses. The aforesaid policy is deficient as the Company has group medical insurance policy for both in-service and superannuated employees, whereas the accounting policy is silent regarding the in-service employees and their spouses.	With regards to Point B it includes both current employees and superannuated employees who have served for at least 10 years as part of our interpretation. Furthermore, the phrase “in-service employees and their spouses” will be explicitly incorporated into the accounting policy in next year's Financial Statements.
For and on behalf of the Comptroller & Auditor General of India  (Pramod Kumar) Addl. Deputy Comptroller and Auditor General (Industry & Corporate Affairs) New Delhi Place: New Delhi Date: July 17, 2025	For and on behalf of PNB Gilts Limited  (Kalyan Kumar) Chairman DIN: 09631251 Place: New Delhi Date: July 23, 2025

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025
[Pursuant To Section 204(1) Of The Companies Act, 2013 And Rule No.9 of The
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PNB Gilts Limited,
5, Sansad Marg, New Delhi-110001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PNB Gilts Limited (hereinafter called "the Company") for the audit period covering the financial year ended on March 31, 2025 (hereinafter referred to as ("the audit period"). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the audit period under consideration complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable to the Company during the audit period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable during the review period;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable during the review period;
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not Applicable during the review period;

- f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) Securities and Exchange Board of India (Issue and Listing of NonConvertible Securities) Regulations, 2021 - Not Applicable during the review period;
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable during the review period);
- k) Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
- l) Securities and Exchange Board of India (Brokers and Sub-Brokers) Regulations, 1992;
- m) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client and;
- n) Other regulations as applicable and circulars/ guidelines issued thereunder;
- (vi) Other laws applicable specifically to the Company are:
 - a) Reserve Bank of India Act, 1934 and guidelines made there under; and
 - b) Master Directions/ Guidelines issued for middle layer NBFCs and Primary Dealers by the Reserve Bank of India from time to time.

I have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above and other applicable Acts.

I further report that, based on the information provided and the representation made by the Company and also on the review of the internal compliance reports taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable industry specific Acts, general laws like labour laws and environmental laws etc. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines that are specifically applicable to the Company have been duly complied with.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory auditor and other designated professionals.

During the audit period, there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. I report that during the period under consideration, the Company in compliance with the provisions of Sections 108 and Section 110 and other applicable provisions of the Act, read with the Rules framed thereunder and the General Circulars issued by the Ministry of Corporate Affairs from time to time, has passed following resolutions through Postal Ballot via remote e-voting:

- a) Sh. Gopal Singh Gusain (DIN: 03522170) as an Independent Director of the Company, who was appointed as an Additional Director (in the category of independent director) of the Company w.e.f. 26.03.2024.
- b) Sh. Raj Kamal Verma (DIN: 07847454) as an Independent Director of the Company, who was appointed as an Additional Director (in the category of independent director) of the Company w.e.f. 10.10.2024.
- c) Dr. Rekha Jain (DIN: 01586688) as an Independent Director of the Company, who was appointed as an Additional Director (in the category of independent director) of the Company w.e.f. 07.11.2024

I further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Sh. Vikas Goel, erstwhile Managing Director & CEO (DIN: 08322541) resigned from the office of Managing Director & CEO with effect from 16-12-2024 which was accepted by the Board with effect from 24-12-2024.

The Board vide a resolution passed at its meeting dated 26-02-2025 has appointed Sh. Pareed Sunil as an Additional Director with the designation Managing Director and CEO (KMP) of the Company for a period of 3 years effective from the date of receipt of approval from the RBI or allotment of DIN by MCA, whichever is later, subject to the requisite sanction of the members of the company. Necessary application(s) for prior approval of RBI and allotment of DIN (e-form DIR-3 filed vide SRN-AB2881870 dated 13/03/2025) has/have been duly filed. The approval from RBI is still awaited.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings were carried out with requisite majority as recorded in the minutes of the Meetings of the Board of Directors or Committee(s) of the Board as the case may be.

I further report that based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **AKP & Associates**
Company Secretaries
Firm Unique Code. S2013UP219300



(Ashutosh Kumar Pandey)

FCS-6847: CP-7385

Proprietor

Peer Review Certificate No : 4115/2023

UDIN : F006847G000427696

Date: 23.05.2025
Place: Noida

Note-This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

Annexure -1

To,
The Members,
PNB Gilts Limited,
5, Sansad Marg, New Delhi-110001

My report of even date is to be read along with this letter.

- 1) It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
- 2) I have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
- 3) Wherever required, I have obtained reasonable assurance about whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Auditee, are free from misstatement.
- 4) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 5) I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
- 6) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 7) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
- 8) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 23.05.2025
Place: Noida

For **AKP & Associates**
Company Secretaries
Firm Unique Code. S2013UP219300

A handwritten signature in black ink, appearing to read 'Ashutosh'.

(Ashutosh Kumar Pandey)
FCS-6847: CP-7385
Proprietor

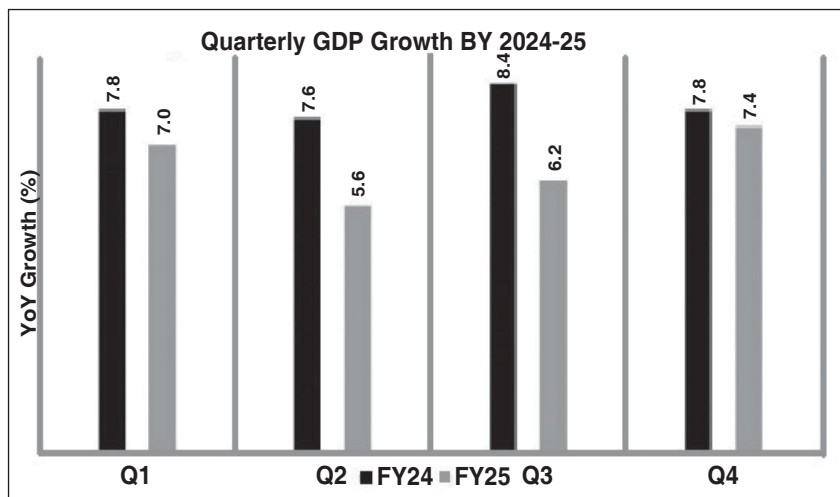
Peer Review Certificate No : 4115/2023
UDIN : F006847G000427696

MANAGEMENT DISCUSSION AND ANALYSIS

A) Domestic Economy

1. Domestic Growth

India's real GDP grew by 6.5% in FY 2024-25, marking a moderation from the previous year's 9.2% but remaining close to the country's decadal average and reaffirming India's position as one of the world's fastest-growing major economies. This growth was supported by strong performances in construction and public administration, defence, and financial services, with nominal GDP rising by 9.8% to ₹330.7 lakh crore. While the pace of expansion slowed due to global headwinds and tighter domestic liquidity, robust domestic demand, increased government capital expenditure, and resilient services exports helped sustain momentum throughout the year.

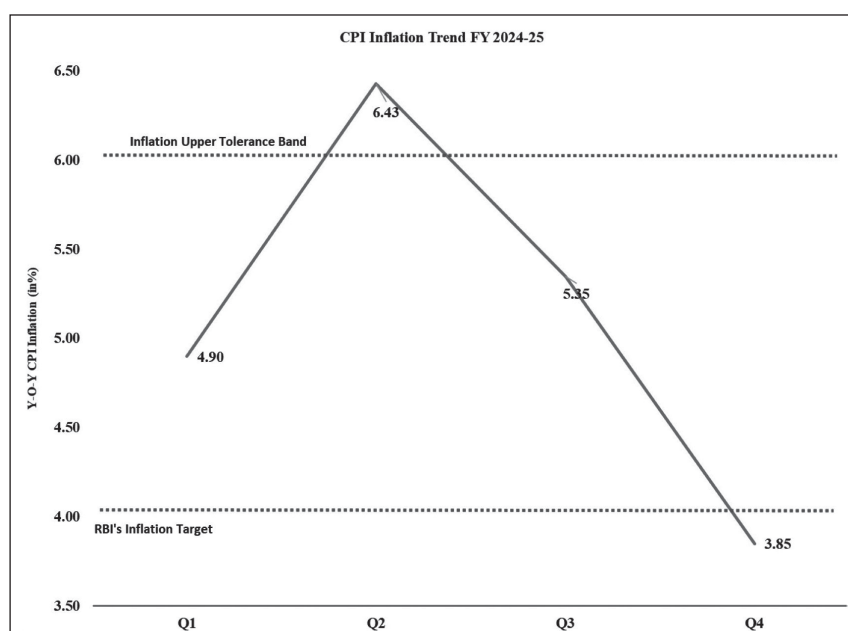


1.1 Quarterly GDP Growth Trends

- **Q1 (Apr–Jun 2024):** 7.0 %. Driven by strong momentum in services and sustained public investment.
- **Q2 (Jul–Sep 2024):** 5.6%. Moderation in private consumption and subdued global trade influenced the slowdown.
- **Q3 (Oct–Dec 2024):** 6.2%. The festive season lifted consumer spending; the services sector performed strongly.
- **Q4 (Jan–Mar 2025):** 7.4%. Significantly beating expectations.

2. Domestic Inflation

India's retail inflation, measured by the Consumer Price Index (CPI), averaged 4.6% in FY25—the lowest since 2018-19—with quarterly figures showing a peak of 6.43% in Q2 before declining sharply to 3.85% in Q4, reflecting the combined impact of effective monetary policy, government interventions in food markets, and easing supply pressures; notably, the March 2025 inflation rate dropped to 3.34%, highlighting a period of sustained price stability and improved economic outlook.



3. Fiscal Deficit

India's fiscal deficit has shown a steady improvement, falling to 4.8% of GDP in FY25 from the pandemic peak of

over 9%, signaling the government's commitment to restoring fiscal discipline while nurturing economic growth. This progress is underpinned by strong tax revenues, a historic RBI dividend, and careful expenditure management, even as the government continues to prioritize capital investment in infrastructure and development. Looking ahead, the government has set an ambitious target to further reduce the fiscal deficit to 4.4% of GDP in FY26 and plans to shift its fiscal anchor to the debt-to-GDP ratio, aiming for greater long-term stability. However, with economic growth expected to moderate and rising demands for social spending and tax relief, the challenge will be to sustain fiscal consolidation without compromising the momentum of economic recovery and inclusive development.

4. USD/INR

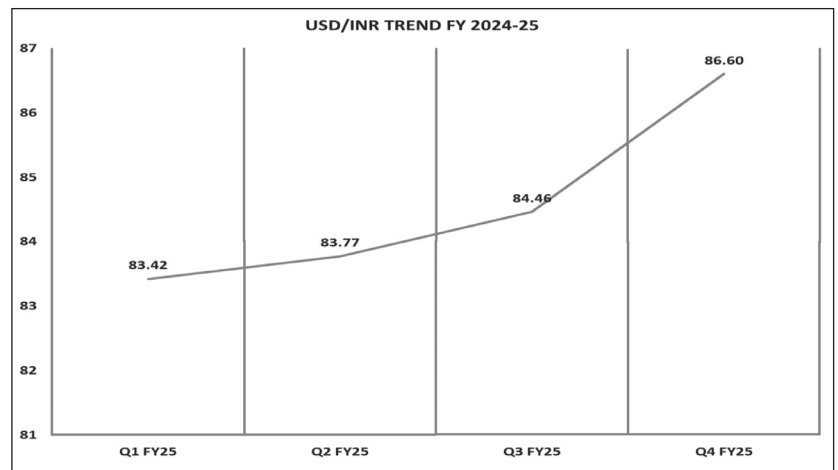
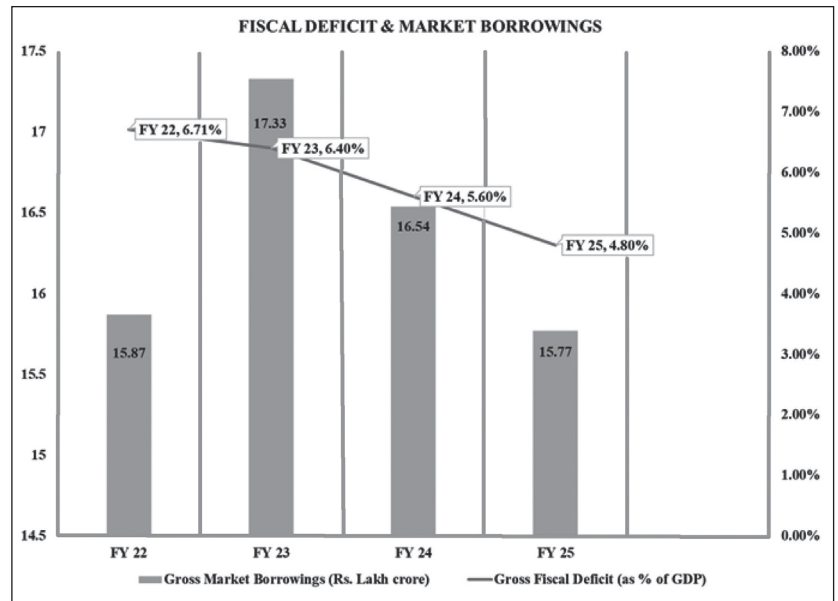
In FY25, the Indian rupee (INR) depreciated by about 2.4% against the US dollar (USD), after a relatively stable first half of the year. The rupee came under pressure following the US presidential election in November 2024, touching a record low of 87.58 per USD in February 2025 due to a stronger dollar and significant foreign portfolio outflows. India's forex reserves also declined during this period. However, March 2025 saw a sharp turnaround, with the rupee appreciating by 2.4%, its best monthly performance in over six years, thanks to a weakening dollar and renewed foreign inflows. By the end of FY25, the rupee closed at around 85.46 per USD.

Looking ahead, the INR is expected to trade in the 85.5–87.5 range in FY26, influenced by global and domestic economic factors

5. Government Securities Market

Primary Market

In FY25, the Government of India's primary market for government securities (G-Secs) remained active and well-supported. The total gross market borrowing for the year was set at ₹14.13 lakh crore, lower than the ₹15.43 lakh crore in FY24, with ₹7.5 lakh crore planned for the first half of the year. Auctions were generally well-subscribed, reflecting robust investor demand; for example, a ₹27,000 crore auction in May 2025 was fully subscribed, with strong interest seen across maturities. During Q3 FY25 alone, the central government borrowed ₹3.82 lakh crore, including eight new issuances spanning 3, 5, 7, 10, 15, and 50-year maturities, as well as Sovereign Green Bonds. The government also used the greenshoe option to retain up to ₹2,000 crore of additional subscriptions per security in several auctions. Most auctions were conducted using the multiple price method, and cut-off yields for benchmark bonds remained



stable, supported by healthy participation from banks, institutions, and foreign investors. The advance publication of auction calendars and the inclusion of green bonds contributed to transparency and diversification in the market. Overall, FY25 saw efficient debt management, stable yields, and continued strong interest in government securities.

Secondary market

The bond market's performance in FY-2025 was marked by considerable volatility and influenced by a combination of global and domestic factors. Globally, U.S. Treasury yields experienced fluctuations driven by FOMC policy decisions, inflation concerns, and uncertainty surrounding the US President's policies. These yields saw both increases and sharp declines throughout the year. Notably, both the US FOMC and the European Central Bank initiated policy rate cuts, signaling a broader trend of monetary policy easing. Domestically, the Indian bond market generally witnessed declining yields. This was attributed to factors such as the RBI's transfer of surplus dividends to the government, increased foreign buying interest, and expectations of fiscal prudence. The RBI's active role in monetary policy, including repo rate cuts and liquidity management through Open Market Operations and forex swaps, significantly impacted bond yields. Furthermore, concerns about domestic economic growth—highlighted by lower-than-expected GDP figures—contributed to expectations of policy easing and downward pressure on yields. Overall, the Indian 10-year benchmark bond yield demonstrated a general downward trajectory, albeit with intermittent volatility, moving from 7.09% initially and eventually stabilizing in the 6.65% to 6.72% range.

B. COMPANY PERFORMANCE

1. Primary Market

In the primary market, the Company continued to comply with all the regulatory requirements for bidding under Minimum Underwriting Commitments (MUC) and Additional Competitive Underwriting (ACU) for Primary Dealers. During FY 2024-25, the Company earned an underwriting commission of ₹1.11 crores, up from the previous year's commission of ₹1.99 crores.

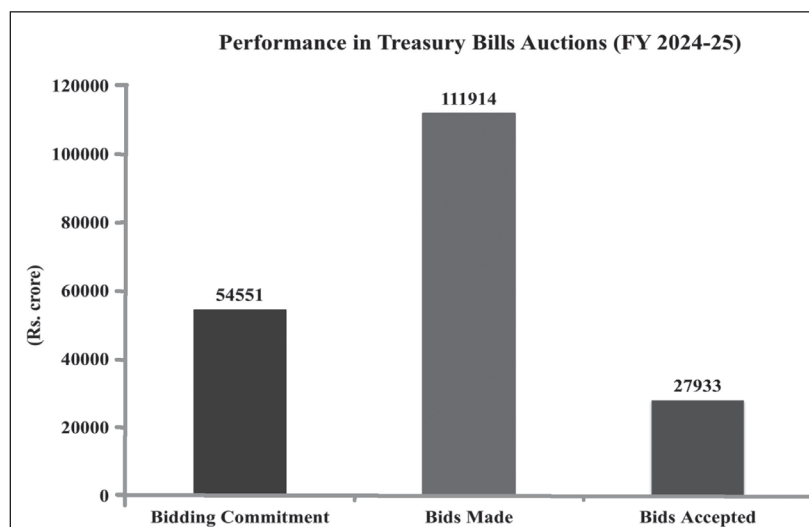
In treasury bill auctions, during H1 of FY 2025, GOI raised ₹4,78,213 crores as against ₹7,25,343 crores in the corresponding period of the last fiscal. In the second half, GOI raised ₹6,12,804 crores through T-bills as against ₹7,02,140 crores raised in the corresponding period of the last fiscal. Against these issuances of T-bills, the Company submitted bids aggregating to ₹1,11,914 crores against the commitment of ₹54,551 crores (being 5 per cent of the notified amount). Out of this, bids amounting to ₹27,933 crore were accepted. Fulfilling its primary market commitment, the Company achieved a success ratio of 50.34 per cent and 51.88 per cent in H1 and H2, respectively, in FY 2024-25, as against the statutory requirement of 40 per cent.

2. Secondary Market

During FY 2024-25, total secondary market outright turnover registered by the Company stood at ₹6,61,937 crore as against ₹7,70,033 crore in FY 2023-24. The Central Government security segment recorded a turnover of ₹5,68,592 crore, followed by SGSSs, which registered a turnover of ₹45,673 crore. Treasury bills recorded a turnover of ₹23,004 crore. The company achieved an outright turnover of 6.67 per cent for FY 2024-25, as against the outright turnover target of 2.0 per cent prescribed by the RBI.

3. Portfolio Size and Composition

During FY 2024-25, dated securities (central and state government) holding level in face value terms under FVTPL portfolio averaged at ₹14,315 crore (₹13,794 crore in FY 2024) with peak holding level of ₹18,412 crore (₹17,709 crore in FY 2024). Daily average holding in T-bills during FY 2025 stood at

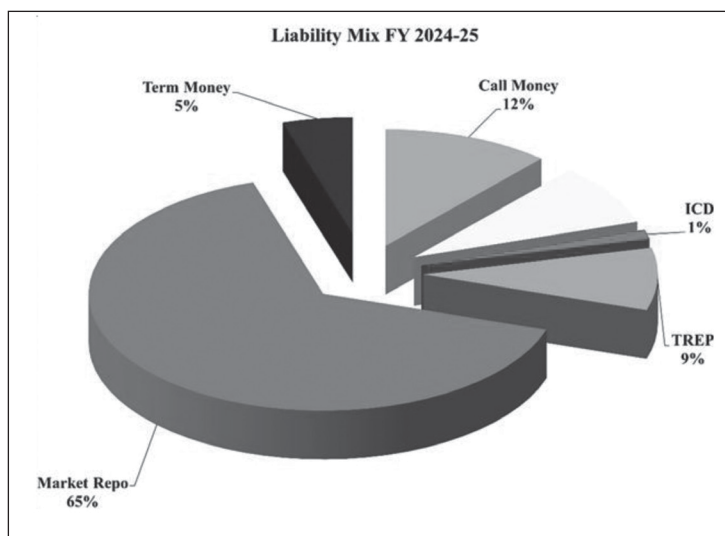


₹563 crore (₹1,825 crore in FY 2024), whereas the peak holding in T-bills stood at ₹ 2,498 crore (₹ 4,266 crore in FY 2023). The company's holding under Amortized Cost portfolio as on March 31, 2025, stands at ₹1051.51 crore.

4. Liability Mix

During the year, the Company judiciously utilized different sources of borrowing viz. Call Money, TREP, Repo, LAF, etc. for active fund management. The average gross borrowings from all sources during FY 2025 amounted to ₹19,983 crore as against ₹21,038 crore in FY 2024. During FY 2025, the Company did not raise any funds through the issuance of Commercial Paper. The average leverage during FY 2025 was 14.09 times against 15.89 times in FY 2024, while the maximum leverage for the year stood at 18.05 times the NOF.

The average cost of funds during FY 2025 stood at 6.55 per cent, higher than 6.69 per cent during FY 2024 as money market rates were under pressure due to persistent deficit of liquidity.



5. Trading Stance & Financial Performance

From PNB Gilts' standpoint, FY25's macroeconomic environment proved exceptionally favorable, laying the groundwork for strong business growth and record profitability. The government disciplined fiscal management, which brought the fiscal deficit down to 4.8% of GDP, reassured investors and contributed to overall market stability. At the same time, inflation moderated to 4.8%, giving the Reserve Bank of India room to cut policy rates by 25 basis points and thereby reduce funding costs across the economy. A major catalyst was the inclusion of Indian government bonds in prominent global indices, which attracted significant foreign capital inflows and enhanced market liquidity. These developments led to a notable decline in bond yields, boosting bond prices and creating lucrative trading opportunities. Together, these macroeconomic factors not only strengthened investor confidence but also directly supported robust growth and profitability for PNB Gilts in FY-25.

FY 2024-25 The two-year trend in the main financial parameters is tabulated as below:

Particulars	FY 2023-24	FY 2024-25	per cent change
Net Owned Fund	1313.35	1517.41	15.54
Profit Before Tax (PBT)	98.81	310.95	214.69
Profit After Tax (PAT)	69.41	233.03	235.73
Capital Adequacy Ratio (%)	34.01	42.68	25.49
Return on avg NOF	5.44	16.46	202.57
Interest Coverage Ratio	1.07	1.24	15.89
PE Ratio	28.39	6.22	-78.09
Net Profit Margin (%)	4.42	13.93	215.16

Summary of Performance

- **Strong Profit Growth:** Both Profit Before Tax and Profit After Tax saw significant increases, rising by over 200% compared to the previous year.
- **Improved Capital Position:** The increase in capital adequacy, as reflected in the improved CAR/CRAR, is primarily due to the significant rise in the Net Owned Fund (NOF). NOF increased from Rs. 1313.35 Cr to Rs. 1517.41 Cr y-o-y.

- Higher Returns: Return on average Net Owned Fund (NOF) more than tripled, reflecting improved profitability.
- The interest coverage ratio increased due to a significant increase in EBIT. In FY 25, EBIT and financing cost were 1623 Cr and 1312 Cr, respectively, and in FY 24, EBIT and financing cost were 1510 Cr and 1411 Cr, respectively.
- PE Ratio Decline: The PE Ratio decreased due to an increase in EPS and a decrease in the Market price in FY 25. In FY 25, EPS were 12.96 and the Market price was 80.49, respectively. In FY 24, EPS was 3.85 and the market price was 109.6, respectively.
- Net Profit Margin: The margin nearly tripled due to a significant increase in PAT.

Overall, PNB Gilts demonstrated significant growth in profitability, capital strength, and operational efficiency in FY 25 over the previous year.

6. Risk Management

The company maintained a balanced composition of securities with an aim to enhance net interest income and facilitate better trading opportunities. Risk management is a critical element of the Company's trading business. The Company's mid-office is primarily responsible for formulating, reviewing, and implementing risk management policies, Value-at-Risk (Var), PVBP limits, sensitivity analysis, and cut-loss policies form the core of the market risk management system. The impact of interest rate movements on the business and earnings profile is mitigated by operating within a well-defined proactive stop-loss limit and value-at-risk (Var) limit. The Company also conducts a sensitivity analysis of its portfolio to assess the impact of parallel and non-parallel shifts in the yield curve on its earnings profile. Counterparty exposure limits and instrument-wise exposure limits were the primary tools used for managing credit risk in business. Similarly, well-established systems and procedures provided adequate defence against operational risk. The company also conducts an internal assessment of risks under the ICAAP exercise to arrive at economic capital covering Pillar I and Pillar II risks.

7. Human Resource Development

Human resource development is given high weightage, and the Company employs the best HR practices to ensure a healthy and motivating work environment for its employees. Employee skills are constantly upgraded by providing training suitable for individual requirements. Besides, in-house lectures and workshops are also conducted on a regular basis to stimulate a healthy exchange of ideas. Apart from skill enhancement training, emphasis is laid on exercises that re-engage, rejuvenate the employees and develop better bonds between co-workers, translating into better team dynamics in the Company. Employees' morale is also boosted by recognizing and rewarding their consistent efforts and dedication to their work with the STAR Employee Award biannually.

The details regarding employees are given in the Board's Report. The total number of employees of the Company as of March 31, 2025, was 54 (including 3 employees on deputation from the parent bank).

8. Internal Control Systems

The Company considers a robust internal control system to be a fundamental component of its Corporate Governance framework. At PNB Gilts Ltd., internal controls are designed to ensure the orderly and efficient conduct of business, safeguard assets, prevent and detect fraud and errors, and ensure compliance with regulatory requirements and internal policies.

The internal control systems are aligned with the nature, size, and complexity of the Company's operations and are reviewed periodically for adequacy and effectiveness. The Company has implemented a well-defined delegation of authority, with appropriate checks and balances for financial, operational, and compliance-related transactions, including procurement and contract approvals.

For the financial year 2024-25, the Company has appointed Grant Thornton Bharat LLP as the Concurrent Auditor. The scope of the Concurrent Audit includes critical areas such as treasury operations, investment transactions, and

adherence to internal risk parameters and regulatory limits. Grant Thornton will conduct audits on a regular basis and submit reports directly to the Audit Committee to ensure transparency and accountability.

Additionally, the Company continues to be audited by Batra Deepak & Associates, the Statutory Auditor, who also issues an annual report on internal financial controls. The Company also engages an Internal Auditor and maintains an independent Internal Audit Department, headed by a designated Internal Head of Audit. This multi-tiered approach reinforces the internal control environment, which is reviewed by the Audit Committee in line with regulatory guidelines, including those prescribed by the Reserve Bank of India.

By maintaining a comprehensive internal control framework, PNB Gilts Ltd. ensures business continuity, risk mitigation, and stakeholder confidence.

9. Corporate Social Responsibility

In FY 2024-25, the company allocated a total CSR budget of approximately ₹1.92 crore across several impactful initiatives. Key projects included supporting adolescent health by facilitating access to cervical cancer vaccines in partnership with The Beautiful Tomorrow Trust (₹0.30 crore) and inclusive development that empowered people with disabilities through greater mobility and self-reliance with Shree Bhagwan Mahaveer Viklang Sahayata Samiti (₹1.44 crore). These efforts underscore our focus on inclusive development and preventive care through its CSR activities. These diverse projects reflect the company's commitment to advancing healthcare, supporting critical medical infrastructure, and promoting environmental sustainability through its CSR activities.

10. Strengths, Weaknesses, Opportunities and Threat Analysis

PNB Gilts is the only listed Primary Dealer in the country and has consistently displayed healthy financial performance since its inception. The company benefits from a strong team with varied experience and expertise in risk management and portfolio strategies, supported by robust regulatory and Board-approved policies. Its efficient risk management department is responsible for monitoring and managing risk, setting risk limits, and analyzing the portfolio. A strong compliance culture and transparency across the organization further strengthens its position.

While the company's core operations as a Primary Dealer in the fixed income segment provide stability, its earnings remain sensitive to interest rate movements, which dominate the revenue stream. This concentration poses a challenge during periods of rate volatility. However, the company is actively working towards broadening its revenue base by gradually expanding into non-core segments, which is expected to enhance income diversification and mitigate earnings volatility over time.

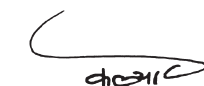
For FY26, PNB Gilts 'opportunities include a likely supportive environment from falling interest rates, continued government fiscal discipline, and India's inclusion in global bond indices, which should attract more foreign investment and boost trading volumes. Easing inflation and further RBI rate cuts could enhance profitability, while diversification into foreign exchange and equity markets offers new revenue streams.

The main threats are global uncertainties such as volatile US interest rates, geopolitical tensions, and potential FPI outflows if the yield spread narrows further. Currency pressures, unexpected inflation spikes, and any global or domestic policy shocks could also disrupt bond markets and impact PNB Gilts' trading gains.

On behalf of Board of Directors

Date : July 23, 2025

Place: New Delhi



(Kalyan Kumar)

Chairman

DIN: 09631251

REPORT ON CORPORATE GOVERNANCE

• Company's Philosophy on Code of Corporate Governance

Corporate Governance for the Company means achieving a high level of accountability, efficiency, responsibility, and fairness in all areas of operation. Our workforce is committed to protecting the interests of the stakeholders, viz. shareholders, creditors, investors, customers, employees, etc. Our policies consistently undergo improvements, keeping in mind our goal, i.e., maximization of the value of all stakeholders.

• The goal is achieved through:

- Infusion of best expertise in the Board.
- Consistent monitoring and improvement of the human and physical resources.
- Introducing regular checks, audits and continuous improvements in well-defined systems and procedures. Board / Committee meetings at regular intervals to keep the Board informed of the recent happenings.

I Board of Directors

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long term interests are being served. The Board has constituted various Committees at Board level namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders' Relationship Committee, IT Strategy Committee etc. The Board may also constitute additional functional Committees, from time to time, depending on business needs. The Company's internal guidelines for Board and its Committee meetings facilitate the decision making process at its meetings in an informed and efficient manner.

1 Composition of the Board

The composition of the Board of Directors is an optimum combination of executive and non-executive directors which fulfills the requirement as stipulated by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") on Corporate Governance. As on March 31, 2025, the Company had six (6) Directors, consisting of six (6) Non-Executive Directors (out of which four (4) are Independent Directors, including a Woman Independent Director).

The members of the Board are from diverse background with requisite skills and experience in critical areas like finance, treasury, human resource, legal, management etc. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

As on March 31, 2025, the composition of the Board was as follows –

Sh. Kalyan Kumar (DIN: 09631251), Executive Director – Punjab National Bank ("PNB" or "Promoter"), is the Non-Executive & Non-Independent Chairman related to Promoter of the Company. He started his journey in Union Bank of India as Rural Development Officer in the year 1995 and has served the bank for 26 years in various capacities as Branch Head of VLBs, faculty at Staff Training Centres, Staff College Principal, stint in Vigilance and Business Process Transformation and Amalgamation Management at Corporate Office and lastly head as CGM HR of Union Bank of India. The successful amalgamation of Andhra Bank and Corporation Bank into Union Bank of India was steered under his supervision and control. He is Chairman of the Board of PNB Cards & Services Ltd. and Director of India Infrastructure Finance Company Ltd. He is also member of Board of Governors of Management Development Institute Society, Gurugram and Chairman of the Governing Board of National Institute of Banking Studies & Corporate Management (NIBSCOM).

Dr. T. M. Bhasin (DIN: 03091429), Independent Director has been a career Banker for 37 years (with notable roles such as Chairman and Managing Director of Indian Bank from 2010 to 2015) having experience in treasury, banking operations and vigilance matters etc. in the banking industry. He was also appointed as Vigilance

Commissioner of India by Hon'ble President of India in CVC from June 2015 to June 2019 and has also chaired the Advisory Board for Banking and Financial Frauds (constituted by CVC and RBI) from August 2019 to August 2023. Dr. Bhasin holds an MBA in Finance from FMS, Delhi, LL.B. from Delhi University, CAIIB, and M.Sc. Gold Medalist. A Delhi University topper in its one year flagship programme in 'Criminology and Forensic Science', he is a fellow of the Indian Institute of Banking and Finance. He also completed the Advanced Financial Enterprises Management Programme at Harvard Kennedy School (US). His Doctoral Research findings and recommendations formed the basis of Pradhan Mantri Jan Dhan Yojana. Dr. Bhasin is a prolific author with a book on 'E-Commerce in Indian Banking' and has numerous research papers to his credit. Presently, he is director of SBI Life Insurance Company Ltd., PNB Housing Finance Ltd. and Patanjali Foods Ltd.

Sh. Gopal Singh Gusain (DIN: 03522170), Independent Director is having more than three decades of experience in finance and banking industry including credit, recovery, risk, compliance, information technology, international banking, human resource, Corporate Credit and treasury operations. He served as an Executive Director of Union Bank of India. Prior to his assignment in Union Bank of India, he worked in PNB in various capacities and has held various positions such as Chief Executive of Hongkong Operations, Group Chief Risk Officer, Group Compliance Officer. Presently, he is director of STCI Finance Limited, The Nainital Bank Limited and LIC Pension Fund Limited.

Sh. Raj Kamal Verma (DIN: 07847454), Independent Director, started his professional journey with Bank of India as Probationary Officer in year 1982. In August 2016, he was elevated as Executive Director (ED) of Union Bank of India and superannuated in February, 2019. During his 37 years of experience in the banking sector, he handled key banking areas like Human Resources, IT and Digital Banking, MSME, Corporate Credit, Foreign Business, Financial Inclusion, Inspection & Audit, Credit Monitoring & Recovery etc.

Dr. Rekha Jain (DIN: 01586688), Independent Director, is a Senior Visiting Professor, Indian Council for Research on International Economic Relations (ICRIER). Earlier, she has served as Professor in the Indian Institute of Management, Ahmedabad from June 1985 to December 2019 (i.e. till superannuation). She has also worked as Probationary Officer in State Bank of India for a year at the start of her career. She has over 39 years of diverse experience and special knowledge in Information Technology, Payment & Settlement Systems, Business Management and Risk Management. Currently, she is independent director on the Board of Gujarat Gas Limited.

Sh. Amit Kumar Srivastava (DIN: 08099846), Non- Executive & Non-Independent Director, is Chief General Manager and Group Chief Risk Officer of PNB. He has more than two decades of experience in Banking industry covering the areas of merchant banking, investment and treasury division, credit review and monitoring and risk management etc. Presently, he is director of Druk Bank Limited, Bhutan.

Other information regarding the Board as on March 31, 2025 is given below:

Name of the Director	Category	No. of other Directorships and other Committee Memberships/ Chairmanships			Directorship in other listed entity (Category of Directorship)
		Directorships	Committee Memberships*	Committee Chairmanships*	
Sh. Kalyan Kumar	Non-Executive, Non-Independent, Chairman	3	2	-	Punjab National Bank (Executive Director)

Dr. T. M. Bhasin	Non-Executive, Independent	4	7	3	Independent Director of- • SBI Cards and Payment Services Ltd. • PNB Housing Finance Limited • Patanjali Foods Ltd. • SBI Life Insurance Company Limited
Sh. Gopal Singh Gusain	Non-Executive, Independent	3	3	1	-
Sh. Raj Kamal Verma**	Non-Executive, Independent	-	-	-	-
Dr. Rekha Jain***	Non-Executive, Independent	1	2	-	• Gujarat Gas Limited (Independent Director)
Sh. Amit Kumar Srivastava	Non-Executive, Non-Independent	-	-	-	-

* In terms of Regulation 26 of Listing Regulations, the limit of the committees on which a Director may serve in all public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013 are excluded and for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone are considered.

** Appointed as a Non-Executive and Independent Director w.e.f. October 10, 2024.

*** Appointed as a Non-Executive and Independent Director w.e.f. November 7, 2024.

As on March 31, 2025, none of the Directors holds any shares / convertible instruments of the Company.

There is no inter-se relationship between the Directors.

Familiarization Programme of the Independent Directors

The Company conducts a familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The details of the familiarisation programme imparted to the Independent Directors during the year are available on the website of the Company at the link https://www.pnbgilts.com/uploads/corporate_governance/Familiarization_Programme.pdf. Quarterly updates on relevant statutory and regulatory changes are also circulated to the Directors.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Professional Competencies	
Business and Management experience	Experience in, or is able to demonstrate knowledge or expertise in, sound management and operational business processes and practices in the private or public sector.
Legal, technology etc.	Exposure in handling regulatory and technology matters or providing legal/regulatory/technology advice and guidance to an organization.
Risk Management	Knowledge and experience in enterprise risk management in the relevant industry and understanding of the Board's role in the oversight of risk management principles.
Strategic Planning	Ability to generate and apply strategic thinking in regard to the unique business insights and opportunities of relevance to the organization.
Board service and Governance	Experience in Board governance practices in private or public sector. Understanding of roles and responsibilities of Board of a Company and responsibilities as Director.
HR	Experience in developing strategies or handling matter like development of talent and retention, succession planning and driving change and long term growth etc.
Finance	An understanding of financial statements and the accounting principles used by entities to prepare its financial statements; including the ability to assess the general application of such accounting principles in connection with the accounting for the company.
Banking	Experience in Credit/Treasury/ International Business etc. in banking industry.
Capital market	Strategic and operational understanding of the working of capital markets in order to provide oversight to management strategies.
Debt Market	Experience in driving Fixed Income, capital or any other market as may be permitted by Reserve Bank of India, from time to time, with an understanding of diverse business environments, economic conditions, regulatory frameworks and a broad perspective on Indian and/or Global market opportunities.
Diversity (gender, ethnic or others)	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of clients, employees, governments and other stakeholders.
Leadership	Ability to inspire, motivate and offer direction and leadership to others.
Analytical and visionary	Ability and aptitude of showcasing analytical and visionary skills towards the organization in the long term. Ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Board.
Commitment	Commitment to the organization, its Board, its culture, values and people.

In the below table, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of mark against a member's name doesn't necessarily mean the member doesn't possess the corresponding qualification or skill.

	Sh. Kalyan Kumar	Dr. T. M. Bhasin	Sh. Gopal Singh Gusain	Sh. Raj Kamal Verma	Dr. Rekha Jain	Sh. Amit Kumar Srivastava
Business and Management experience	✓	✓	✓	✓	✓	✓
Legal, technology etc.	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓
Board service and Governance	✓	✓	✓	✓	✓	✓
HR	✓	✓	✓	✓	✓	✓
Finance	✓	✓	✓	✓	✓	✓

Banking	✓	✓	✓	✓	✓	✓
Capital market	✓	✓	✓	✓	✓	✓
Debt Market	✓	✓	✓	✓	✓	✓
Diversity (gender, ethnic or others)	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓
Analytical & visionary	✓	✓	✓	✓	✓	✓
Commitment	✓	✓	✓	✓	✓	✓

2. Independent Directors

a. Performance Evaluation of Independent Directors:

The Company believes that an effective governance framework requires periodic evaluation of the functioning of the Board as a whole, its committees and individual director's performance evaluation. Accordingly, the Company on the recommendation of the Nomination and Remuneration Committee (NRC) has devised a policy for performance evaluation of Independent Directors, other Directors, Board and its which includes criteria for performance evaluation as well.

As per process given in the policy, the evaluation exercise shall be carried out on annual basis. The process involves evaluation of the whole Board, which is to be done by all the Members of the Board; evaluation of the Committees of the Board, which is to be done by all the Members of the respective Committee; and evaluation of the individual which is carried out by the NRC.

Structured questionnaires formed key part of the evaluation process for reviewing the functioning and effectiveness of the Board. The evaluation process focused on various aspects of the Board and Committees functioning such as structure, composition, quality, board meeting practices and overall Board effectiveness. The Independent Directors are additionally required to fulfill the criteria of Independence from the other directors, management and that they exercise their own judgment and voice their opinion freely. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. An indicative list of factors on which evaluation exercise to be conducted internally includes participation and contribution by a director, commitment, knowledge and competency, integrity and maintenance of confidentiality and independence of behavior and judgment.

Annual Performance Evaluation: During the year, questionnaires were circulated to the members of the Board and respective Committees soliciting their feedback on the performance of the Board, its Committees and individual Directors for the financial year 2024-25.

As part of evaluation exercise, the outcome of feedback from Directors was discussed at the respective meetings of NRC and Board.

The Nomination and Remuneration Committee reviewed the performance of individual directors including Independent Directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like meaningful and constructive contribution and inputs in meetings, ability to function as a team, initiative taken for the growth and development of the Company, integrity, etc.

In the Board Meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed. Discussion on Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Also, in a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-executive Directors.

Outcome of Evaluation Process: The Board was satisfied with the professional expertise and knowledge of each of its Directors. All the Directors effectively contributed to the decision making process by the Board. Further, all the Committees were duly constituted and were functioning effectively. The Board also expressed its satisfaction in relation to the provision of supporting documents to the Board enabling it to assess the policy & procedural requirements for proper functioning of the Company.

b. Confirmation on Independence of Independent Directors: In terms of Regulation 25(8) of the Listing Regulations, all the independent directors of the company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors confirms that all the Independent Directors of the Company meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 and that they are independent of the management. A formal letter of appointment to Independent Directors as provided in the Act has been issued and the draft of the same is disclosed in Investors Relations section on the website of the Company viz. https://www.pnbgilts.com/uploads/disclosures/ID_Letter.pdf

c. Resignation by Independent Director during FY 2024-25: During the year 2024-25, Dr. Neharika Vohra (DIN: 06808439) resigned from the position of Independent Director of the Company w.e.f. 11.11.2024 due to her other professional commitments at IIMA. There are no material reasons other than those provided by her. The disclosure of the said resignation submitted to Stock Exchanges is available in the Investors Relations section on the website of the Company viz. https://www.pnbgilts.com/uploads/annoucement/STX_NV_111124.pdf

3. Meetings of the Board

During the financial year 2024-25, eleven (11) Board meetings were held on May 1, 2024, June 12, 2024, July 24, 2024, August 20, 2024, October 24, 2024, November 28, 2024, December 16, 2024, January 14, 2025, January 28, 2025, February 26 2025, and March 29, 2025. The gap between any two (2) meetings not exceeded 120 days as per the requirements of Regulation 17 (2) of the Listing Regulations and Section 173 of the Companies Act, 2013 ("the Act").

The attendance record of the Directors in the above meetings and last AGM is as under:

Name of Director	No. of Board Meetings attended	Attended last AGM held on September 20, 2024
Sh. Kalyan Kumar	10	Yes
Sh. P. P. Pareek ¹	4	N.A.
Dr. T. M. Bhasin	11	Yes
Dr. Neharika Vohra ²	2	Yes
Sh. Gopal Singh Gusain	11	Yes
Sh. Raj Kamal Verma ³	7	N.A.
Dr. Rekha Jain ⁴	6	N.A.
Sh. Amit Kumar Srivastava	8	Yes
Sh. Vikas Goel ⁵	6	Yes

1. Ceased to be Non-Executive and Independent Director w.e.f. 30.08.2024 upon completion of second term.

2. Resigned as a Non-Executive and Independent Director w.e.f. 11.11. 2024.

3. Appointed as a Non-Executive and Independent Director w.e.f. 10.10. 2024.

4. Appointed as a Non-Executive and Independent Director w.e.f. 07.11. 2024.

5. Resigned as a Managing Director & CEO on 16.12.2024 and was relieved w.e.f. closure of business hours of 23.12.2024.

4. Committees of the Board

(A) Audit Committee

The Audit Committee has been formed in pursuance of the Listing Regulations, Section 177 of the Act, and RBI guidelines. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 read with Part C to Schedule II of the Listing Regulations and Section 177 of the Act, as applicable, besides other terms as referred by the Board of Directors.

The role, inter alia, includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; evaluation of internal financial controls and risk management system; reviewing the functioning of the vigil mechanism / whistle blower policy; reviewing the compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment(s) or modification(s) from time to time) at least once in a financial year and verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness (if any), management discussion and analysis of financial condition and result of operations, statement of related party transactions and such other matters as prescribed.

During the financial year 2024-25, eleven (11) Committee meetings were held on April 25, 2024, May 1, 2024, May 7, 2024, July 23, 2024, July 24, 2024, October 24, 2024, October 22, 2024, October 24, 2024, January 28, 2025, February 24, 2025, March 9 2025, and March 29, 2025. The composition and attendance of Members is as under:

Names of Director	Position held in the Committee	No. of Committee Meetings attended
Sh. P. P. Pareek ¹	Chairman	5
Sh. Gopal Singh Gusain ²	Chairman	11
Dr. T. M. Bhasin	Member	11
Dr. Neharika Vohra ³	Member	3
Sh. Raj Kamal Verma ⁴	Member	4
Dr. Rekha Jain ⁵	Member	4
Sh. Amit Kumar Srivastava ⁶	Member	2

1. Ceased to be a Chairman and member of the Committee due to completion of his tenure w.e.f. 30.08.2024.
2. Re-designated as a Chairman from member of the Committee w.e.f. 30.08.2024.
3. Ceased to be a member of the Committee w.e.f. 12.06.2024.
4. Inducted as a member of the Committee w.e.f. 09.12. 2024.
5. Inducted as a member of the Committee w.e.f. 09.12. 2024
6. Inducted as a member of the Committee w.e.f. 30.08. 2024 and ceased to be a member of the Committee w.e.f. 09.12.2024.

Ms. Monika Kochar, Company Secretary, acts as the Secretary to the Committee.

All the recommendations made by the Audit Committee during the year were accepted by the Board.

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is instrumental in identifying persons qualified to become Directors or part of senior management in accordance with the criteria laid down by the Board, to carry out evaluation of

every Director's performance, to recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees and Board Diversity etc. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 read with Para A of Part D to Schedule II of the Listing Regulations, Section 178 of the Companies Act, 2013 and RBI's directions, besides other terms as referred by the Board of Directors.

The role of Nomination and Remuneration Committee, inter-alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, senior management including key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment, removal and noting their cessation; recommendation on extension or continuation of the terms of appointment of the Independent Directors; and recommendation to the Board of all remuneration, in whatever form, payable to senior management.

The Company is also having "Directors' Fit and Proper Policy" in place for ascertaining the 'fit and proper criteria' to be adopted at the time of appointment of Directors and on continuing basis, in line with the regulatory framework issued by RBI. Pursuant to the terms of reference, the said Committee deals with matter of the appointment/reappointment of Directors and their remuneration etc. and submits its recommendations to the Board for approval.

During the financial year 2024-25, eight (8) Committee meetings were held on June 3, 2024, July 23, 2024, September 20th, 2024, October 1, 2024, October 30, 2024, December 16, 2024, February 26, 2025 and March 29, 2025.

The composition of the Committee and attendance of the Members is as under:

Name of Director	Position held in the Committee	No. of Committee Meetings attended
Dr. T. M. Bhasin	Chairman	8
Dr. Neharika Vohra ¹	Member	1
Sh. Gopal Singh Gusain	Member	8
Dr. Rekha Jain ²	Member	3
Sh. Amit Kumar Srivastava	Member	7

1. Ceased to be member of the Committee w.e.f. 12.06.2024.

2. Inducted as member of the Committee w.e.f. 09. 12. 2024.

The details relating to remuneration of Directors and disclosure regarding Remuneration Policy, as required under Listing Regulations, have been given under a separate section, viz. 'Directors' Remuneration' in this report.

(c) Stakeholders' Relationship Committee

The role and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178(6) of the Companies Act, 2013 read with applicable Rules framed thereunder and Regulation 20 read with Para B of Part D to Schedule II of the Listing Regulations. The terms of reference of Stakeholders' Relationship Committee, inter-alia includes, overseeing the redressal of stakeholders' grievances; to review the measures taken for effective exercise of voting rights by shareholders; review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent etc. During the year 2024-25, 1 (one) meeting of the said Committee was held on March 20, 2025.

The composition of Stakeholders' Relationship Committee and the attendance of the Members is as under:

Names of Director	Position held in the Committee	No. of Committee Meetings attended
Sh. P. P. Pareek ¹	Chairman	-
Dr. Neharika Vohra ²	Member	-
Dr. T. M. Bhasin ³	Chairman	-
Sh. Raj Kamal Verma ⁴	Chairman	1
Dr. Rekha Jain ⁵	Member	1
Sh. Amit Kumar Srivastava ⁶	Member	-
Sh. Vikas Goel ⁷	Member	-

1. Ceased to be a Chairman and member of the Committee due to completion of his tenure w.e.f. 30.08.2024.
2. Ceased to be a member of the Committee w.e.f. 12.06.2024.
3. Inducted as Chairman of the Committee w.e.f. 30.08.2024 and ceased to be part of the Committee w.e.f. 09.12.2024 due to the Committee's reconstitution.
4. Inducted as a Chairman of the Committee w.e.f. 09.12. 2024.
5. Inducted as a member of the Committee w.e.f. 09.12. 2024
6. Inducted as a member of the Committee w.e.f. 01.04.2024
7. Ceased to be a member of the Committee w.e.f. 09.12.2024

The Company attends to investor grievances/correspondence expeditiously and usually reply is sent within a period of 5 to 7 days of receipt, except in the cases that are constrained by disputes or legal impediments.

No complaint was pending at the beginning of the FY 2024-25.

During the FY 2024-25, the Company received 28 complaints from the shareholders/ investors. Only one complaint was pending for closure as on 31.03.2025. The said complaint that remain outstanding as on 31.03.2025 was received on 28.03.2025 and redressed on 02.04.2025.

All the complaints have been redressed to the satisfaction of the complainants.

Ms. Monika Kochar, Company Secretary of the Company, acts as the Compliance Officer.

(D) Corporate Social Responsibility (CSR) Committee

The CSR Committee discharges the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013, which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company. During the financial year 2023-24, three (3) CSR Committee meetings were held on August 02, 2024, January 21, 2025 and March 20, 2025. The composition of the Committee and attendance of the Members is as under:

Names of Director	Position held in the Committee	No. of Committee Meetings attended
Dr. Neharika Vohra ¹	Chairperson	-
Sh. P. P. Pareek ²	Member	1
Dr. T. M. Bhasin ³	Chairperson	3
Sh. Amit Kumar Srivastava	Member	1
Sh. Raj Kamal Verma ⁴	Member	2
Dr. Rekha Jain ⁵	Member	2
Sh. Vikas Goel ⁶	Member	1

1. Ceased to be a Chairperson of the Committee due to the reconstitution of the committee w.e.f. 12.06.2024.
2. Ceased to be a member of the Committee due to completion of his tenure w.e.f. 30.08.2024.
3. Re-designated as a Chairperson from a member of the Committee w.e.f. 09.12.2024.
4. Inducted as a member of the Committee w.e.f. 09.12. 2024.
5. Inducted as a member of the Committee w.e.f. 09.12.2024.
6. Ceased to be a member of the Committee due to the reconstitution of the Committee w.e.f. 09.12.2024.

The CSR Committee's terms of reference are as per the provisions of the Companies Act, 2013. A detailed Report on CSR activities/ initiatives is also attached to the Board's Report.

(E) Risk Management Committee

The Risk Management Committee framed in accordance with the RBI guidelines for Primary Dealers and NBFCs and the Listing Regulations reviews the overall risk management plan and framework and recommend changes to ensure their adequacy. The Committee ensures that the Company is complying with the policies already documented, controls, and procedures concerning the operation of the risk measurement system.

The role of Committee, inter-alia, include the following:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. To monitor and review of the risk management plan, cyber security function and such other functions as the Board may deem fit.
8. Review ICAAP policy and framework of the company on an annual basis.
9. In consultation with IT Strategy Committee, shall periodically review and update the IT related risk including the Cyber Security related risk in risk management policy of the Company.
10. Interact with Head of Risk, separately, without presence of management, atleast on quarterly basis for reviewing the risk profile of the company.
11. The Committee shall have discretion of approving outsourcing of activities, if any, as covered under the RBI directions, in line with the Board approved policy. If approved, monitoring of outsourced activities will also be done by the Committee.
12. To review on a regular basis (quarterly or at more frequent intervals) the exposures to CCPs, including exposures arising from trading through a CCP and exposures arising from CCP membership obligations such as default fund contributions

During the financial year 2024-25, five (5) Risk Management Committee meetings were held on June 26, 2024, August 14, 2024, September 10, 2024, December 28, 2024 and March 29, 2025. The composition of the Committee and attendance of the Members is as under:

Names of Director	Position held in the Committee	No. of Committee Meetings attended
Dr. Neharika Vohra ¹	Member	-
Sh. P. P. Pareek ²	Member	2
Sh. Gopal Singh Gusain ³	Chairman	5
Dr. T. M. Bhasin ⁴	Member	3
Dr. Rekha Jain ⁵	Member	2
Sh. Amit Kumar Srivastava ⁶	Member	5

1. Ceased to be a member of the Committee due to the reconstitution of the committee w.e.f. 12.06.2024
2. Ceased to be a member of the Committee due to completion of his tenure w.e.f. 30.08.2024
3. Inducted as Chairman of the Committee w.e.f. 12.06. 2024.
4. Inducted as a member of the Committee w.e.f. 30.08. 2024
5. Inducted as a member of the Committee w.e.f. 09.12.2024
6. Re-designated as a member from the chairman of the Committee w.e.f. 12.06.2024.

(F) IT Strategy Committee

The IT Strategy Committee has been constituted an IT Strategy Committee in terms of RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, as amended from time to time. The Committee shall work in partnership with other Board committees and Senior Management to provide input to them.

The role of Committee, inter-alia, includes the following:

- (i) Ensure that the Company has put an effective IT strategic planning process in place.
- (ii) Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives.
- (iii) Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization.
- (iv) Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks.
- (v) Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives.
- (vi) Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.
- (vii) Review and recommend the strategies and policies related to IT, Information Assets, Business Continuity, Information Security, Cyber Security (including Incident Response and Recovery Management/ Cyber Crisis Management) to the Board for approval at least on an annual basis.
- (viii) Review the assessment of IT capacity requirements and measures taken to address the issues.
- (ix) Approve documented standards and procedures regarding access to information assets of the Company.
- (x) Review of cyber security risks/arrangements/preparedness of the Company, as placed by CISO, on a quarterly basis.
- (xi) Periodic reviews of implementation of Cyber security and cyber resilience policy of the Company.
- (xii) Periodic reviews of cybersecurity incident (if any), its impact, RCA and plans to strengthen the cyber resilience in order to mitigate re-occurrence of such incidents in future.

(xiii) Deliberate on the matters which may be referred by the Board and/or SEBI.

(xv) Review various compliances as part of CSCRF and make recommendations to the Board.

During the financial year 2024-25, Four (4) IT Strategy Committee meetings were held on June 26, 2024, September 10, 2024, December 28, 2024 and March 20, 2025. The composition of the Committee and attendance of the Members is as under:

Names of Director	Position held in the Committee	No. of Committee Meetings attended
Sh. Gopal Singh Gusain ¹	Member	4
Sh. P. P. Pareek ²	Member	1
Dr. T. M. Bhasin ³	Member	3
Dr. Rekha Jain ⁴	Chairperson	2
Sh. Raj Kamal Verma ⁵	Member	2
Sh. Vikas Goel ⁶	Member	2

1. Re-designated as a member from the chairman of the Committee w.e.f. 09.12.2024.
2. Ceased to be a member of the Committee due to completion of his tenure w.e.f. 30.08.2024
3. Inducted as member of the Committee w.e.f. 30.08.2024.
4. Inducted as a Chairperson of the Committee w.e.f. 09.12. 2024
5. Inducted as a member of the Committee w.e.f. 09.12.2024
6. Ceased to be a member of the Committee due to the reconstitution of the committee w.e.f 09.12.2024

II Directors' Remuneration

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company at the link:

https://www.pnbgilts.com/uploads/corporate_governance/Remuneration_Policy.pdf .

The Company's remuneration policy is directed towards rewarding performance based on achievement of results and attracting and retaining the best talent. During the year 2024-25, there was no change in remuneration policy.

Matters of remuneration of Managing Director & CEO are considered by the Board of Directors of the Company, with the Interested Directors not participating. The terms of remuneration of the Director are approved by the shareholders at the general body meeting. The details of remuneration paid to the Managing Director & CEO in the financial year 2024-25 till his cessation including payment in lieu of notice period are as under:

(₹ in lacs)

	Sh. Vikas Goel, Managing Director & CEO
Salary	109.03
Perquisites and allowances	0.32
Company's Contribution to PF	5.14
Performance Linked Incentive	-

* Resigned as a Managing Director & CEO on 16.12.2024 and was relieved w.e.f. closure of business hours of 23.12.2024.

Note: Neither variable pay was paid nor any annual increment was given to him.

Criteria for making payment to Non- Executive Directors:

The terms and conditions of appointment of Non-Executive Directors including Independent Directors of the Company shall be governed by the resolutions approved by the shareholders of the Company with respect to their respective appointments.

Sitting fee is payable only to Independent Directors. The sitting fee structure payable to Independent Directors is as under –

Meeting	New Sitting fees for independent directors (payable per meeting)*
For attending and chairing meetings of the Board	Rs. 70,000/- plus Rs. 20,000/- for chairing the meeting. This will be subject to change thereafter in accordance with such fee structure of promoter i.e. PNB.
For attending and chairing meetings of Committees of Board.	Rs. 35,000/- plus Rs. 10,000/- for chairing the meeting. This will be subject to change thereafter in accordance with such fee structure of promoter i.e. PNB.
For attending and chairing meetings of any other committee/group/panel which may or may not be at Board level but such a forum is statutorily or operationally required to meet	Same as that of Committees of the Board.
*Fee in respect of Board Meetings shall not exceed the limit as provided for in respect of companies under the Companies Act, 2013 and Rules made thereunder. Fee in respect of Committees of Board should not exceed one half of fee for attending the meetings of Board. Further, the above fees shall be subject to overall ceiling of Rs. 25 lacs per annum.	

In addition to the sitting fee, the Company also reimburses out of pocket expenses if incurred by them in connection with performance of duties as a Director.

The details of sitting fee paid/payable to Independent Directors during the financial year 2024-25 are as under:

Names of the Director	Sitting Fees*
Sh. P. P. Pareek	645000
Dr. T.M. Bhasin	1960000
Dr. Neharika Vohra	280000
Sh. Gopal Singh Gusain	1950000
Sh. Raj Kamal Verma	885000
Dr. Rekha Jain	1000000

* Applicable GST paid extra. Out of pocket expenses, if any incurred by them, not taken into account.

No other remuneration or stock option scheme is in place. Apart from the sitting fees and reimbursement of expenses, there are no other pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.

III Resume of Directors Proposed to be Appointed / Re-Appointed

The brief resume of Directors to be appointed or re-appointed is given in the explanatory statement/annexure to the notice convening the Annual General Meeting.

IV Code of Conduct for Directors and Senior Management

The Code of Conduct for Directors and Senior Management of the Company has been posted at the Company's website (www.pnbgilts.com). All the Board Members and Senior Management Personnel have affirmed the compliance of the said Code during the year 2024-25. A declaration of Chief Executive Officer to this effect is also appended to this report at Annexure A.

V Certificate on Corporate Governance

As required under Schedule V of the Listing Regulations, a certificate from practicing company secretaries regarding compliance of conditions of corporate governance is appended to this report as Annexure B.

VI CEO/CFO Certification

The Chief Executive Officer and Chief Financial Officer of the Company had submitted required certification to the Board along with the annual financial statements as per the provisions of Regulation 17(8) read with Para B of the Schedule II of the Listing Regulations.

VII General Body Meetings

Location and time of last three General Meetings are as under:

Financial year	Type of Meeting	Venue	Date and time
2023-24	Annual General Meeting (AGM)	Meeting conducted through Video Conferencing pursuant to the MCA Circular(s) and SEBI circulars	September 20, 2024 at 1100 hrs
2022-23	Annual General Meeting (AGM)		September 8, 2023 at 1100 hrs
2021-22	Annual General Meeting (AGM)		September 2, 2022 at 1100 hrs
2021-22	Extra Ordinary General Meeting (EGM)		March 29, 2022 at 1100 hrs

In the EGM held on March 29, 2022, a special resolution for increase in borrowing power limit as required under Section 180(1)(c) of the Companies Act, 2013 was passed. In AGM held on September 2, 2022, no special resolution was passed.

In the AGM held on September 8, 2023, four special resolutions were passed for re-appointment of Sh. S. K. Kalra and Sh. T. M. Bhasin as Independent Directors of the Company and for waiving the recovery of excess managerial remuneration paid to Sh. Vikas Goel, MD & CEO for the year ended March 31, 2023, in terms of Section 197 read with Schedule V of the Act in view of losses incurred for the year ended March 31, 2023 and for approval of the remuneration payable to MD & CEO for financial year 2023-24 in excess of the stipulated limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013.

In the AGM held on September 20, 2024, no special resolution was passed.

During FY 2024-25, the members of the Company passed three resolutions through postal ballot and voting pattern of the same was as follows -

Particulars of remote e-voting	Special resolution passed on June 5, 2024 for appointment of Sh. Gopal Singh Gusain (DIN: 03522170) as an Independent Director for a period of 3 years from March 26, 2024	Special resolution passed on January 3, 2025 for appointment of Sh. Raj Kamal Verma (DIN: 07847454) as an Independent Director for a period of 3 years from October 10, 2024	Special resolution passed on January 3, 2025 for appointment Dr. Rekha Jain (DIN: 01586688) as an Independent Director for a period of 3 years from November 7, 2024.
Total number of Valid Votes	13,38,50,034	13,40,86,169	13,40,86,253
Votes cast in favour of the Resolution	13,38,41,659	13,40,78,666	13,40,77,045
Votes cast against the Resolution	8,375	7,503	9,208
Number of Invalid Votes	Nil	Nil	Nil

Post closure of FY 2024-25, on June 20, 2025 passed a special resolution through postal ballot for increase in the borrowing power of the Company and the voting pattern of the same, was as follows:

Particulars	Remote e-Voting
Total number of Valid Votes	13,38,68,578
Votes cast in favour of the Resolution	13,38,54,244
Votes cast against the Resolution	14,334
Number of Invalid Votes	Nil

Procedure followed for Postal Ballot/ E-voting:

- a) In terms of the General Circular No.14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 03/2022 dated May 5, 2022, General Circular No. 11/2022 dated December 28, 2022, General Circular No. 9/2023 dated September 25, 2023 and General Circular No. 9/2024 dated September 19, 2024 (the "MCA Circulars"), issued by the Ministry of Corporate Affairs, Government of India (the "MCA"), the postal ballot process was conducted by way of electronic voting only. The Company engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility.
- b) In accordance with the MCA Circulars, the Notices of Postal Ballot along with the instructions regarding e-voting were sent only by e-mail to all those Shareholders.
- c) Mr. Ankit Singhi, Partner of PI & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to conduct the Postal Ballot processes in a fair and transparent manner during FY 2024-25. For postal ballot conducted after closure of financial year 2024-25, Mr. Nitesh Latwal, Partner of PI & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer.
- d) After due scrutiny of e-voting, scrutinizer submitted its final reports on 07.06.2024 (for postal ballot dated 05.06.2024), 06.01.2025 (for postal ballot dated 03.01.2025) and 23.06.2025 (for postal ballot dated 20.06.2025). The results of the postal ballot/ e-voting were declared on 07.06.2024, 06.01.2025 and 23.06.2025 respectively.

VIII Management Discussion and Analysis

Management Discussion and Analysis has been given separately in the Annual Report.

IX Disclosures

- a) **Related Party Transactions (RPTs):** During financial year 2024-25, the Company did not enter into any 'materially significant related party transactions', which are considered to have potential conflict with the interests of the Company at large. None of Director is related to each other. The Company has formulated a policy on materiality of related party transactions and also on procedure for dealing with such transactions. During FY 2024-25, procedural changes were made in the policy with regard to reporting and also mandating the functional departmental heads to give necessary justification for escalating the RPTs (not in ordinary course/not at arm's length) to the Audit Committee/Board/shareholders for necessary approvals. During the said fiscal, the policy was also aligned with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024. The said policy is also available on the website of the Company at the link https://www.pnbgilts.com/uploads/corporate_governance/RPT_Policy.pdf. Details of all related party transactions including transactions with PNB, promoter having shareholding of 74.07% in the company and others are given in Note No. 35A and 35B of the Financial Statements. No other promoter group entity is holding any shares in the Company.
- b) **Compliance by the Company:** There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last three years. However, the National Stock Exchange of India Limited (NSE) vide its email dated 1st March, 2024, imposed a penalty of Rs.5,000/- (Rupees Five Thousand only) for delayed reporting of demat account(s) i.e., after one week of the opening of such account(s) which is a non-compliance of said SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 applicable to stock brokers. The said penalty was to be debited by NSE on or after 15.03.2024; however, NSE has not charged the penalty from the designated bank account till issuance of this Report. The Company responded diligently and has requested NSE for clarification on reporting of accounts which are not related to stock broker business and has also requested to condone the delay and waiver of penalty for the event in absence of clarity. Further, till date of issuance/signing of this report, the NSE has neither charged the penalty from the designated bank account nor waived off.

- c) **Whistle Blower Policy/Vigil Mechanism:** The Company has put in place the Whistle Blower Policy (including Vigil Mechanism). The Audit Committee on time-to time basis reviews the functioning of the same and no person has been denied access to the Audit Committee and its Chairman. For further detail(s), please refer the Board's Report.
- d) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 –**
- Number of pending complaints in the beginning of FY 2024-25 : Nil
 - Number of complaints received during the FY 2024-25 : Nil
 - Number of complaints disposed of during the year : Nil
 - Number of cases pending for more than 90 days : Nil
 - Number of complaints pending as on end of the FY 2024-25 : Nil
- e) **Commodity price risk or foreign exchange risk and hedging activities:** The Company has not dealt in commodities and foreign exchange during FY 2024-25. Since there is no exposure in commodities, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. There are no hedging activities in derivative instruments.
- f) **Certificate from Practicing Company Secretary as required under Part C of Schedule V of Listing Regulations:** A certificate has been received from M/s Ashu Gupta & Co., Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed with this Report at Annexure C.
- g) **Total fees paid to Statutory Auditors of the Company:** During the financial year 2024-25, a fee of Rs. 36.00 lacs plus GST thereon (totaling to Rs. 42.48 lacs) for all services, was paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.
- h) **List of Credit Ratings obtained and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:** CRISIL and ICRA have rated A1+ to ₹ 1000 crore Commercial Paper programme of the Company. The rating indicates highest safety.

The Company is also having 'IND A1+' rating for INR 20 billion Short-term bank loans and 'IND A1+' rating for INR10 billion Inter-corporate deposit, both ratings from India Ratings & Research Pvt. Ltd. Additionally, the Company is also having ICRA A1+ rating from ICRA for its Rs. 1,000 crore of Inter-Corporate Deposits (ICD) programme.

There was no revision in the above ratings during the FY 2024-2025.

i) Others

The Company is complying with all the mandatory requirements related to corporate governance under the Listing Regulations. Compliance with respect to non-mandatory requirement(s) under the Part E of Schedule II of said Regulations is also given in this report.

The Company, being a Primary Dealer, has not formed any subsidiary and thus the policy for determining material subsidiary has not been framed.

The Company has not given any loans and advances in the nature of loans to firms/companies in which directors are interested.

The Company has complied with all the applicable corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as well as disclosure requirements as enumerated in Schedule V of the Listing Regulations.

Your company is having following officers in senior management position in the Company (as defined under Regulation 16 of the Listing Obligations) as on 31.03.2025-

Name	Designation	Date of joining in Company	Brief Profile
Mr. Pareed Sunil	Deputy CEO*	01.08.2023	He is MBA (Fin) and PGPF from NIBM, Pune. He has earlier worked with Punjab National Bank and has experience of more than 25 years in the field of Treasury, Credit, Risk, IT and Compliance in banking industry. He is on deputation from Punjab National Bank, promoter.
Mr. Vijay Sharma	SEVP (Operations)	22.03.2011	He is B.E. (Chemical) from Malviya National Institute of Technology, Jaipur and MBA from Narsee Monjee Institute of Management Studies (NMIMS) Mumbai. He has over 25 years of experience, mainly in the Indian Fixed income markets and has been associated with the Primary Dealership Industry as well the organization almost since inception.
Mr. Chandra Prakash	Chief Financial Officer & CISO	26.02.2021	He is a fellow member of the Institute of Chartered Accountants of India. He is having more than 14 years of post-qualification experience. He has worked earlier with Punjab National Bank and has experience in the field of Credit Appraisal, Credit Monitoring, IT, Finance and Risk. He is on deputation from Punjab National Bank, promoter.
Ms. Monika Kochar	Company Secretary & CCO	12.05.2006	She is B.Com (Hons.), M.Com, LL.B and also a fellow member of the Institute of Company Secretaries of India. She is having around 19 years of post-qualification experience in handling matters related to secretarial, finance, legal and corporate affairs etc.
Mr. Neeraj Aggarwal	Head of Internal Audit	17.05.2022	He is B.Com and associate member of the Institute of Chartered Accountants of India. He is having around 14 years of post-qualification experience in area of internal audit, risk, financial controls, fraud control and investigation.

*elevated as Managing Director & CEO w.e.f. 19.06.2025.

Changes in senior management positions during financial year 2024-25 are under:

Name of official and designation	Change and its effective date
Ms. Seema Misra, SEVP (Support)	Ceases to be part of the senior management team w.e.f. 01.05.2024 upon completion of the employment contract.

Further, in terms of Regulation 30A of Listing Regulations, there are no such agreements which are required to be disclosed in the Annual Report.

X Means of communication

Print

The Company publishes unaudited quarterly financial results and half-yearly financial results reviewed by Statutory Auditor and audited annual financial results in one national daily newspaper circulating in the whole or substantially the whole of India in English language and in one daily newspaper published in the language of the region, where the registered office of the Company is situated i.e. New Delhi. Generally, these are published in Financial Express and Jansatta or Business Standard - English and Business Standard - Hindi. Besides, other notices / communications were also published in the same newspapers. The Quarterly/Annual Financial Results are also available on the Company's website and Stock Exchange websites www.nseindia.com and www.bseindia.com.

All material information about the Company is promptly sent to the stock exchanges.

Internet

For the financial results, official news and other information, shareholders may log on to the website of the Company i.e. www.pnbgilts.com.

No presentations were made to institutional investors or to the analysts.

XI General Shareholder Information

1. Annual General Meeting

Date and time	:	September 17, 2025 at 11.00 A.M.
Venue	:	Annual General Meeting through Video Conferencing/ Other Visual Means (VC/OAVM facility)
Audio	:	
Financial Year	:	April 1, 2024 to March 31, 2025
Record Date (Cut off date for E-Voting)	:	September 10, 2025
Dividend Payment Date	:	Within 30 days of declaration in AGM.

2. Listing on Stock Exchange

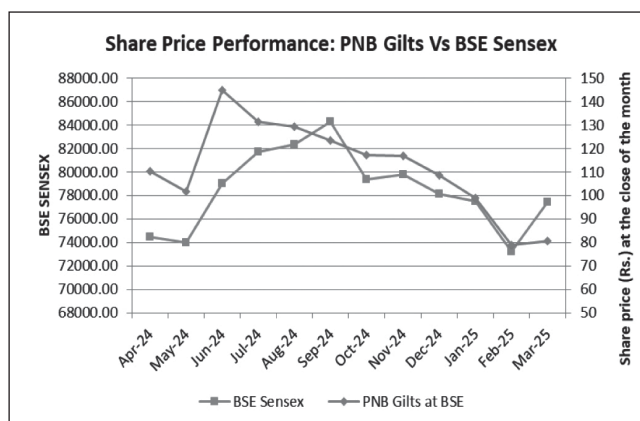
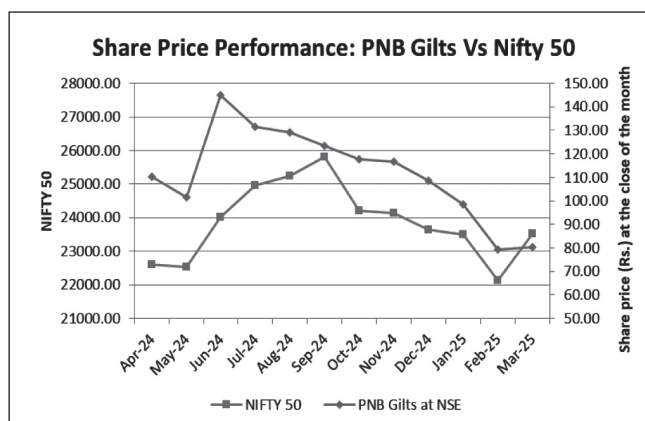
:	Listed in September, 2000
:	BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
:	National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G - Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Annual listing fee of the above-mentioned Stock Exchanges has been paid in time.

3. Market Price Data: High/low share price data in each month during 2024-25 on the National Stock Exchange of India Ltd. and BSE Ltd. is given as under:

(₹)

	NSE		BSE	
Month	High	Low	High	Low
Apr-24	119.60	105.00	119.45	105.15
May-24	118.10	99.35	117.90	99.15
Jun-24	149.00	90.00	149.25	90.60
Jul-24	143.51	119.91	143.95	120.05
Aug-24	135.20	117.70	135.00	117.55
Sep-24	136.84	120.41	136.50	120.50
Oct-24	129.70	112.40	129.05	112.40
Nov-24	123.95	110.25	123.95	110.40
Dec-24	125.25	106.63	125.00	106.90
Jan-25	114.49	93.16	114.45	94.00
Feb-25	106.31	78.01	106.23	78.05
Mar-25	85.60	74.25	86.00	73.55



Source : NSE and BSE website

Information on the daily share prices: The quotes can be known from any financial daily like Economic Times, Financial Express, Business Standard, etc and from the websites of BSE Ltd. and National Stock Exchange of India Ltd. i.e. www.bseindia.com and www.nseindia.com. The Company has been marked under group B by BSE.

The Stock Code at BSE and NSE is as under:

BSE: 532366

NSE: PNBGILTS

4. Share Transfer Agents:

MCS Share Transfer Agent Limited

179-180, 3rd Floor, DSIDC Shed, Okhla Industrial Area,

Phase-I, New Delhi - 110020 Tel No.: (011) 41406149-51

E-mail : helpdeskdelhi@mcsregistrars.com

5. Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable.

Further, during the financial year 2024-25, the Company has not raised the funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

6. For the shareholders holding shares in physical form: Investors' queries/requests for change in address/bank details, transmission, issue of duplicate share certificates, registration of e-mail IDs etc. may please be sent directly to MCS Share Transfer Agent Limited at the above address. Further, the Company in compliance of the provisions of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, and subsequent circulars on 'Common and Simplified Norms for processing investor's service requests by RTAs and Norms for furnishing PAN, KYC details, and Nomination has sent necessary intimation of all shareholders holding in physical form.

7. For the shareholders holding shares in dematerialized form: Shareholders holding shares in electronic/dematerialized mode should address all their correspondence like change of address/bank details, registration of e-mail IDs etc. to their respective depository participants (DPs). The updation of particulars in the records of the DP shall result in automatic updation of records of the Company.

8. Online Dispute Resolution Process for shareholders: The SEBI vide circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 on July 31, 2023 as amended by corrigendum cum amendment vide circular no. ref. no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, and further by a master circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated August 11, 2023 has introduced a common Online Dispute Resolution ("ODR") mechanism which harnesses online conciliation and online arbitration to facilitate online resolution of all kinds of disputes arising in the Indian securities market. The ODR Portal establish due connectivity with the SEBI SCORES portal / SEBI Intermediary portal and allows investors with additional mechanism to resolve the grievances. Any unresolved issues pertaining to any service-related complaints between investors and listed entity including its Registrar & Share Transfer Agents in the securities market, will be resolved in accordance with the abovementioned SEBI Circular in the following manner.

ODR may be initiated only after the resolution from RTA/ Company/ SCORES portal are not resolved to the satisfaction of the shareholders. the resolution may be initiated through the ODR portal within the applicable timeframe under law, which can be accessed at <https://smartodr.in/login> and the same can also be accessed through Company's website at <https://www.pnbgilts.com/assets/data/ODR-Mechanism-as-per-SEBI-Circulars.pdf>

9. Share Transfer / Dematerialisation System: The shares of the Company are traded compulsorily in demat mode. Hence, most of the transfers are executed electronically. However, a few cases of transmission etc. were received by the Company/Share Transfer Agent in physical mode and were attended by the Stakeholders' Relationship Committee. In accordance with Regulation 40 of Listing Regulations, physical transfer of shares

is prohibited with effect from April 1, 2019. Further, in pursuance of SEBI's circular, Reconciliation of Share Capital Audit is also being conducted regularly on a quarterly basis. During the course of audit, no discrepancy in updation / maintenance of the Register of Members or processing of the demat requests was found and the capital held in physical mode and demat mode tallied with the issued capital.

10. The Company is not in manufacturing industry and thus there are no plants of the Company.

11. Distribution of Shareholding as on March 31, 2025

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
Upto 500	73161	86.63	7521998	4.18
501-1000	5770	6.83	4570165	2.54
1001-2000	2806	3.32	4224261	2.35
2001-3000	889	1.05	2269620	1.26
3001-4000	433	0.51	1569651	0.87
4001-5000	326	0.39	1550161	0.86
5001-10000	610	0.72	4493336	2.50
10001 and above	458	0.54	153810942	85.45
Total	84453	100.00	180010134	100.00

12. Shareholding pattern as on March 31, 2025

Particulars	No. of shares held	% of Shareholding
Promoter (PNB)	133333333	74.07
Bodies Corporates, Trusts, clearing members, HUF and NBFCs	5425183	3.01
Indian Public and Directors	392889387	21.83
NRIs and FPIs	1711095	0.95
Investor Education and Protection Fund Authority	251585	0.14
Total	180010134	100.00

13. Glance at Equity History of the Company

Date	Particulars of Issue	Number of Shares	Total Number of shares	Nominal value of Shares (₹ lacs)
July, 1996	Initial Equity Base	50000000	50000000	5000.00
August, 1999	Issue of Bonus shares in the ratio of 1:2	25000000	75000000	7500.00
September, 1999	Issue of Right shares in the ratio of 1:3	25000000	100000000	10000.00
July, 2000	Initial Public Offer	35007600	135007600	13500.76
July, 2013	Issue of Bonus shares in the ratio of 1:3	44992534	180010134	18001.01

14. Dematerialisation of shares

The shares of the Company are traded compulsorily in demat mode. As on March 31, 2025, 17,97,44,346 equity shares i.e. 99.85 per cent of the shareholding is in demat mode.

There are no outstanding GDRs/ADRs/warrants or any convertible instruments.

15. Unclaimed dividend

Dividends that are not claimed, within seven years from the date of its transfer to unpaid/unclaimed dividend account, will, in terms of the provisions of Section 124 of the Companies Act, 2013, be transferred to Investor Education and Protection Fund (IEPF) established by the Government. In respect of transfers made after coming into effect of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), shareholders will be entitled to claim the dividend transferred from IEPF in accordance with such procedure and on submission of such documents, as may be prescribed by the IEPF Authority.

The details of unclaimed dividend as on March 31, 2025 are as follows:

Financial Year	Amt of dividend (₹ Lacs)	Unclaimed Dividend as on 31.03.2025 (₹ Lacs)	Unclaimed dividend Percentage	Last date for making claim*	Last date for making transfer to IEPF
2017-18 (Final Dividend)	1800.10	8.09	0.45	15 th Oct 2025	14 th Nov 2025
2018-19 (Final Dividend)	2520.14	9.17	0.36	29 th Sep 2026	29 th Oct 2026
2019-20 (Final Dividend)	5400.30	16.11	0.30	30 th Oct 2027	29 th Nov 2027
2020-21 (Interim Dividend)	5400.30	16.61	0.31	13 th Dec 2027	12 th Jan, 2028
2020-21 (2 nd Interim Dividend)	7200.40	22.59	0.31	7 th Mar 2028	6 th Apr, 2028
2020-21 (Final Dividend)	5400.30	19.66	0.36	20 th Oct 2028	19 th Nov 2028
2021-22 (Final Dividend)	9000.51	30.46	0.34	3 rd Oct 2029	2 nd Nov 2029
2023-24 (Final Dividend)	1800.10	5.61	0.31	21 st Oct 2031	20 th Nov 2031

*The Company is regularly sending individual advice letters (along with format of indemnity bond) to shareholders for claiming their dividend(s) not claimed by them. It is hereby once again requested to shareholders who have not yet claimed the said dividend(s), to lodge their claim with the Company by submitting an application and an indemnity bond on or before the last date for making claim. A format of indemnity bond in this respect is also available at the Company's website (www.pnbgilts.com).

In addition, as per above Rules, all the shares, in respect of which dividend has not been claimed by the shareholders for seven consecutive years, will also be transferred to IEPF. During the year 2024-25, the company had transferred 17,275 shares to IEPF Authority. The shareholders whose dividend/ shares has been transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>

For shares which are due for transfer in FY 2025-26, the Company has sent specific communication to the concerned shareholders at their address registered with the Company/Depository Participant, inter alia, providing the details of the shares liable for such transfer and for taking appropriate action. These details will also be made available on the Company's website (www.pnbgilts.com).

16. Shareholders holding shares under more than one Folio/ Client ID: This is in the interest of the shareholders who are holding shares under more than one Folio/Client ID that they get their holding consolidated under a single Folio/Client ID. This leads to a better follow-up on their grievances. Further, this will also help in avoiding multiple mailing of the Annual Reports, dividend instruments and other communication(s) to single person. Consolidation also provides convenience in maintaining the track of shares in best and easiest manner.

XII. The Company has not raised funds during the financial year 2024-25, accordingly no details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations, is required to be disclosed.

XIII. There are no shares of the Company lying in the demat suspense account or unclaimed suspense account.

XIV. The Board had accepted all the recommendations of the Board level Committees in the FY 2024-25.

XV. The Company complies the following non-mandatory requirements under the Listing Regulations: -

1. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Separate persons have been appointed for the post of Chairperson and Managing Director & CEO. The Chairperson is non-executive director and not related to the Managing Director & CEO of the Company.

2. Reporting of Internal Auditor

The Head of Internal Audit (HIA) reports to Audit Committee. HIA participate and discuss freely in each meeting of the Audit Committee and the reports submitted by auditor, are discussed by the Audit Committee. On quarterly basis, the HIA also meet the Audit Committee without the presence of management (including Managing Director & CEO).

XV. Compliance Officer and contact details:

Ms. Monika Kochar,

Company Secretary, CCO and Sr. Vice President

PNB Gilts Ltd.

5, Sansad Marg, New Delhi 110 001

Tel : 011-23325759/ 23325779 Fax : 011-23325751

Email : pnbgilts@pnbgilts.com, monika.kochar@pnbgilts.com

On behalf of Board of Directors



(Kalyan Kumar)

Chairman

DIN: 09631251

Date : July 23, 2025

Place: New Delhi

DECLARATION

To
The Members of
PNB Gilts Ltd.
5, Sansad Marg
New Delhi – 110 001

Dear Member,

It is hereby certified that as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct for Directors and Senior Management Personnel has already been laid down and also posted on Company's website (www.pnbgilts.com).

Based on the affirmations received from Directors and Senior Management Personnel as covered under the said Code, I, Pareed Sunil, hereby declare that all the Directors and Senior Management Personnel of the company have complied with the Company's "Code of Conduct for Directors and Senior Management" during the year 2024-25.

For and on behalf of Board of Directors

A handwritten signature in black ink, appearing to be 'Pareed Sunil'.

Dated : July 3, 2025
Place : New Delhi

(Pareed Sunil)
Managing Director & CEO
DIN: 11001150

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
PNB Gilts Limited
5, Sansad Marg, New Delhi-110001

We have examined the compliance of conditions of Corporate Governance by PNB GILTS LIMITED ("the Company"), for the year ended on March 31, 2025 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2025.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 24.06.2025
Place: Noida

For **AKP & Associates**
Company Secretaries
Firm Unique Code. S2013UP219300



(Ashutosh Kumar Pandey)
FCS-6847: CP-7385
Proprietor

Peer Review Certificate No : 4115/2023
UDIN : F006847G000655539

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
The Members of
PNB GILTS LIMITED
5, Sansad Marg,
New Delhi- 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PNB GILTS LIMITED** (hereinafter referred to as 'the Company') having CIN:L74899DL1996PLC077120 and having Registered office at 5, Sansad Marg, New Delhi - 110001, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), as considered necessary and explanations furnished to us by the Company & its directors, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2025**, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority (ies):

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sh. Prem Prakash Pareek*	00615296	10/02/2009
2	Sh. Tejendra Mohan Bhasin	03091429	30/07/2019
3	Sh. Vikas Goel#	08322541	01/02/2019
4	Sh. Kalyan Kumar	09631251	07/07/2022
5	Smt. Neharika Vohra\$	06808439	27/03/2023
6	Sh. Raj Kamal Verma	07847454	10/10/2024
7	Smt. Rekha Jain	01586688	07/11/2024
8	Sh. Amit Kumar Srivastava	08099846	26/12/2023
9	Sh. Gopal Singh Gusain	03522170	26/03/2024

*Ceased to be the director of the Company w.e.f. 30.08.2024 on account of the completion of the 2nd and final term of 5 (five) consecutive years as an Independent Director of the Company.

#Ceased to be the Managing Director & CEO of the Company w.e.f. 24.12.2024 on account of resignation tendered by him.

\$Ceased to be the Independent Director of the Company w.e.f. 11.11.2024 on account of resignation tendered by her.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ashu Gupta & Co.**
Company Secretaries

A handwritten signature in black ink, likely belonging to Ashu Gupta.

Ashu Gupta

(Prop.)

FCS No.: 4123

CP No. : 6646

PR No. : 6581/2025

UDIN: F004123G000542199

Place : New Delhi

Date : 04.06.2025

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

2024-25



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Business Responsibility & Sustainability Report 2024-25

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

1. **Corporate Identity Number (CIN) of the Listed Entity:** L74899DL1996PLC077120
2. **Name of the Listed Entity:** PNB Gilts Limited
3. **Year of incorporation:** 1996
4. **Registered office address:** 5, Sansad Marg, New Delhi – 110001
5. **Corporate address:** 5, Sansad Marg, New Delhi – 110001
6. **E-mail:** pnbgilts@pnbgilts.com
7. **Telephone:** 011 – 23325759
8. **Website:** www.pnbgilts.com
9. **Financial year for which reporting is being done:** 2024-25
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Ltd. and National Stock Exchange of India Ltd.
11. **Paid-up Capital:** 18001.01 lacs rupees
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**
 Ms. Monika Kochar, Company Secretary
 Telephone Number: 011 – 23325759
 E-mail Id: monika.kochar@pnbgilts.com
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**
 Disclosures made in this report are on a standalone basis
14. **Name of assessment or assurance provider – N.A.**
15. **Type of assessment or assurance obtained – N.A.**

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	RBI licensed primary dealer involved in providing a gamut of fixed income products such as Government Securities, Treasury Bills, Floating Rate Bonds and State Development Loans.	Underwriting & bidding in primary auctions of Government Securities conducted by RBI. Acting as Arrangers to privately placed debt securities and non-convertible redeemable preference shares.	100%
		Trading in Govt. Securities, Treasury Bills, money market instruments, NSLR etc. in secondary market.	
		Handling of Constituent Subsidiary General Ledger (CSGL) Accounts.	

Business Responsibility & Sustainability Report 2024-25

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Central Government Securities	NIC Code – 6499	100%
2	Treasury Bills		
3	Corporate Bonds		
4	Money Market Instruments		
5	Gilts Account		
6	Debt Capital Market		
7	Retailing		

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable*	6	6
International	Not Applicable*	-	-

*Being a financial service entity, this section is not applicable.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	6*
International (No. of Countries)	-

* We are serving all over India through our head office and branches with a physical presence in Delhi, Mumbai, Chennai, Ahmedabad, Bangalore, & Kolkata.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable.

c. A brief on types of customers

PNB Gilts Ltd has a wide client base ranging from Provident Funds Trusts, Regional Rural Banks, Co-operative Banks, Corporates, Educational Institutions, and Individuals etc. and has an independent marketing and sales team to cater to the specific client requirements. Corporate entities may seek to invest in government securities for both short and long-term durations. These investments serve various purposes, such as diversifying their investment portfolio, securing stable returns, or leveraging the safety and reliability offered by government-backed securities.

Institutional investors, including mutual funds, insurance companies, and pension funds, also form a significant portion of PNB Gilts' client base. These investors allocate a portion of their portfolios to government securities to meet their regulatory requirements and investment objectives. By investing in government securities, they can ensure stability and liquidity in their investment portfolios. Furthermore, banks and financial institutions are another key clientele for PNB Gilts Ltd. These entities invest in government securities as part of their mandatory Statutory Liquidity Ratio (SLR) requirements. SLR mandates that banks maintain a certain percentage of their total net demand and time liabilities in the form of liquid assets, including government securities. PNB Gilts provides these institutions with the necessary government securities to fulfill their SLR obligations. Overall, PNB Gilts Ltd caters to a wide range of clients, including corporate entities, institutional investors, banks, and financial institutions, by offering government securities and other fixed income instruments to meet their investment objectives, regulatory requirements, and liquidity needs.

Business Responsibility & Sustainability Report 2024-25

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	53	39	73.58	14	26.42
2.	Other than Permanent(E)	0	0	N/A	0	N/A
3.	Total employee (D+E)	53	39	73.58	14	26.42
WORKERS						
4.	Permanent(F)	Not Applicable				
5.	Other than Permanent(G)					
6.	Total workers (F+G)					

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

21. Participation/Inclusion/Representation of women (as on 31.03.2025)

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67
Key Management Personnel	2	1	50

Business Responsibility & Sustainability Report 2024-25

22. Turnover rate for permanent employees and workers

	FY_25			FY_24			FY_23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.13	21.43	9.43	10.53	11.76	10.91	5.88	5.56	5.77
Permanent Workers	Not Applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding/ Subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary / Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Punjab National Bank	Holding Company	PNB, having shareholding of 74.07% in the company	No

The Company, being a RBI regulated Primary Dealer, is prohibited to form any subsidiary

VI. CSR Details

VII. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)?

Yes. The company has allocated an amount of ₹192.99 lacs for various projects to be implemented by selected implementing agencies. This includes transfer of ₹ 9.64 lacs in the Schedule VII accounts.

(ii) Turnover (in Rs.) : 3,67,32,971.9Lakhs (Sales)

(iii) Net worth (in Rs.): 1,51,741.20 Lakhs

VIII. Transparency and Disclosures Compliances

IX. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stake holder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/ No)	FY_24			FY_23		
		Number of Complaint - filed during the year	Number of complaint spending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0		0	0	
Investors (other than shareholders)	Yes https://www.pnbgilts.com/assets/data/Grievance-Redressal-Mechanism_638166770219058802-1.pdf	0	0		0	0	

Business Responsibility & Sustainability Report 2024-25

Shareholders	Yes https://www.pnbgilts.com/assets/data/Grievance-Redressal-Mechanism_638166770219058802-1.pdf	28	0	Resolved within TAT	23	0	
Employees and workers	Yes*	0	0		0	0	
Customers	Yes https://www.pnbgilts.com/assets/data/Grievance-Redressal-Mechanism_638166770219058802-1.pdf	0	0		0	0	
Value chain partners	No	0	0		0	0	
Others	No	0	0		0	0	

*The grievance redressal mechanism for employees is available in the intranet and hence cannot be published in the public domain. There are no workers in the company.

X. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

While the company will undertake more substantial material assessment of ESG issues in due course of time, the company has identified some pertinent material issues which are detailed here.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Privacy and Data Security	Opportunity & Risk	Risk : The rapid digitization and exponential growth of digital users has significantly increased the risk posed by the compromise of data privacy and security. Opportunity: Implementation of a robust information security structure can effectively mitigate the cyber	The Company has framed policies with respect to information technology/cyber security risk which set forth limits, mitigation strategies and internal controls. IS & IT Policy and Cyber Security Policy are in place for protecting the organization's cyberspace against cyber attacks, threats and	Positive: Smoother process automation, enhanced PR and credibility of stakeholders, better data management and increased trust Negative: Breach of Privacy and Data Security

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			threats and safeguard the sensitive information of all stakeholders. By prioritizing data privacy and security, we not only protect our business and customers but also create opportunities for growth and expansion in the digital landscape.	vulnerabilities. Further the Company has also installed M-Soc and advance firewall to mitigate the risk. Also the company is in process of preparing Personal Data Protection Policy which aims to create a responsible culture of data protection within company and increase employee awareness of data protection, acceptable data handling practices and applicable requirements in relation to Personal Data.	
2	Climate change & Governance	Opportunity & Risk	Risks: Climate change has increased reputational risks for businesses. There has been an increase in shareholder activism on governance practices. Opportunities: Opting for sustainable solutions, providing awareness sessions with insights into their personal carbon footprint saves natural resources and also saves money.	The Company's BRSR Committee will be monitoring the ESG related factors. The Company has implemented a BRSR policy in as per the SEBI's guidelines. The Company greatly understands the impact of climate change and acts responsibly to reduce the impact on the environment in its capacity.	Negative: Physical and Regulatory risks. Positive: We have framed Climate Risk policy to identify, assess and mitigate climate related risks ensuring better preparedness and financial resilience.

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3	Community and Social Impact	Opportunity	PNB Gilts is dedicated to Corporate Social Responsibility (CSR). Through its CSR initiatives, the Company is committed to design and implement projects that work towards socio-economic upliftment of underprivileged and marginalised sections of the society. In partnership with various implementing agencies, the company has extended its support towards social issues like promotion of education, providing healthcare & restoring the environment etc.	Not applicable	Positive: We are devoted in making a difference in the lives of the marginalized and vulnerable, and supporting CSR initiatives is a key aspect of this effort. By actively participating in such activities, we aim to create a positive impact and contribute to the betterment of society.
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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	*See NOTE below	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y		Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	All the policies will be appropriately communicated within the Company across all level and shall also be disclosed on the Company's website https://www.pnbgilts.com/uploads/corporate_governance/BRSR_Policy.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	*See NOTE below	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y		Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company's commitment is to provide a safe, healthy, and inclusive culture for all of its employees. Hence, the company has established employee-centered measures like Diversity equity and Inclusion, employee benefits, and the prevention of sexual harassment in the workplace. These actions foster care, support, and opportunities for employees to achieve their professional goals. The Code of Conduct, Risk Management, Whistleblower Policy, HR Policy, Grievance Redressal as well as other policies and procedures of the company comply with national laws, regulations, promote ethical practices, and professional standards. Besides, the company complies with regulations governing its products and services. The company promotes fairness, transparency, suitability of products/services, privacy, and grievance redressal mechanisms as basic customer rights.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	PNB Gilts doesn't have specific mandated targets, commitments, or goals. However, our processes evaluate parameters like customer/shareholder complaints, employee awareness programs on human rights, consumption of resources, inclusivity, CSR policies that creates a positive impact in the lives of communities. However, the company will be working towards its 'material issues' to chart a course and arrive at a conclusive state with all relevant departments to come up with ESG aspirations in subsequent years.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	As we have initiated our journey and are further strengthening our ESG infrastructure, disclosures on performance will be made in subsequent times.		*See NOTE below		As we have initiated our journey and are further strengthening our ESG infrastructure, disclosures on performance will be made in subsequent times.				

*The Company is a Non-Banking Financial Company and is not engaged in a business concerning design of products and related activities that could raise economic risks and opportunities. Accordingly, keeping in view the business of the Company, the Company is not required to undertake product life cycle sustainability

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Policies	Principle
Dividend distribution policy	P1 Ethics & transparency, P7 Public Policy Advocacy
Policy on determination of Materiality of events or information	P1 ethics and transparency
Remuneration policy	P3 wellbeing of employees, P5 Respect for Human Rights,
Web archival Policy	P1 ethics and transparency
Eligibility Criteria of Directors and Policy on Board Diversity	P8 Inclusive Growth, P5 Respect for Human Rights
Human Resources policy	P1 Ethics & transparency, P3 wellbeing of employees, P7 Public Policy Advocacy
A policy for performance evaluation of Board of its own performance	P1 Ethics& transparency, p3 wellbeing of employees, P7 Public Policy Advocacy
CSR policy	P4 Responsive to stakeholders, particularly the marginalized, P6 Protecting the environment, P5 Respect for Human Rights, P8 Inclusive Growth
Whistle blower policy	P3 wellbeing of employees, P1 Ethics& transparency, P5 Respect for Human Rights
Policy on Related party Transactions	P1 Ethics& transparency,
Sexual harassment of Women at Workplace	P3 wellbeing of employees, P1 Ethics& transparency, P5 Respect for Human Rights
Leave policy	P3 wellbeing of employees
Directors' Fit and Proper Policy"	P1 Ethics & transparency, P7 Public Policy Advocacy
Policy on cyber security	P9 valuing the consumers in a responsible manner, P1 Ethics& transparency,
Fair practice code	P9 valuing the consumers in a responsible manner, P1 Ethics & transparency, P8 Inclusive Growth, P5 Respect for Human Rights, p3 wellbeing of employees, P7 Public Policy Advocacy
Code of Conduct for Directors and Senior Management	P1 Ethics& transparency, P9 valuing the consumers in a responsible manner,
Climate Risk Policy	P8 Inclusive Growth

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

We are conscious of our responsibility towards the environment, the society, and the principles of good governance. We understand that our role extends beyond financial intermediation and thus integrating Environmental, Social, and Governance (ESG) practices into its operations is not just a strategic imperative, but a reflection of our commitment to building a resilient and responsible future for all our stakeholders. We are proactively embedding ESG considerations across our key functions. This includes a meticulous assessment of climate risk, and diligently working to minimize operational carbon footprint through energy efficiency and resource conservation measures. Our Company has framed a dedicated Climate Risk Management Policy incorporating four pillars of Task force on Climate related Financial Disclosures (TCFD's) –

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Governance, Strategy, Risk Management and Metrics & Targets.

Our social commitment is manifested empowering marginalized communities, and fostering a diverse and inclusive workplace for the employees. Apart from this, Robust governance forms the basis of our operations. We uphold the highest standards of ethical conduct, transparency, and accountability in all our dealings. Our Board and management are actively steering the ESG agenda, ensuring that these principles are embedded in letter and spirit and guide our decision-making processes and corporate culture. ESG integration not only enhances our resilience to emerging risks and strengthens long-term value creation, but also aligns us with the evolving expectations of counter parties, investors, and regulators. By embracing sustainable practices, we are contributing to a healthier planet, a more equitable society, and a more stable financial system.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Mr. Pareed Sunil
Managing Director and CEO

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes. The company has constituted an internal BRSR Committee that will be responsible for reporting & publishing the BRSR guidelines. The Managing Director & CEO of the Company shall be responsible for implementing the Policy. BRSR Head shall be the Company Secretary of the Company. The Managing Director & CEO/ Company Secretary may take support of such functional heads and internal and external experts, which he/she may deem fit for effective implementation of the Policy. Functional Heads – SEVPs shall be the other members of BRSR Committee.

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2*	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Annually, or as and when required reviewed by the respective Committees of the Board. The necessary changes in policy are implemented post review.																	
Compliance with statutory requirements of relevance to the principles, & rectification of any non-compliances	The Company has necessary procedures in place to ensure the compliance with all relevant regulations.																	

* P2 not applicable.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No. The independent internal audit function within the Company periodically looks at the implementation of the policy, in general. However, Information Security Audit for FY 2024-25 has been carried out by an external IS auditor, M/s Capgemini Technology Services India Limited.

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12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	Refer to Section B, question 1 column P2 (NOTE)	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA		NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA		NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA		NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA		NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

Principle 1: Business should conduct and govern themselves with ethics transparency and accountability



Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of Training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	Programme on ESG, ESOP and Nature of industry in which company operates and Business Model of the company	100
Key Managerial Personnel	5	Program on Compliance for Officers of Banks, Financial Institutions & NBFCs Programme for IT and Cyber Security for Senior Management Programme on ESG and ESOP Programmes on POSH and Fire Safety Awareness	100
Employees other than BoD and KMPs	12	Various programmes like POSH, Fire Safety Awareness, KYC/ ALM, Technical Analysis	100
Workers	NA		

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2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine			Nil		
Settlement			Nil		
Compounding fee			Nil		
Non-Monetary					
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company is committed to conducting business by following the highest ethical standards. All forms of bribery and corruption are prohibited. The Company conducts its business in adherence to all statutory and regulatory requirements. The Code of Conduct for Directors and Senior Management of the Company has been posted at the Company's website(https://www.pnbgilts.com/uploads/corporate_governance/Code_of_Conduct_for_Sr_MGMT_Directors.pdf). The company has conduct & discipline rules as part of its HR Policy, which include do's and don'ts for Employees, while being in employment of the company. Additionally, the Company is also having whistle Blower Policy wherein the directors and employees have resort to intimate their concerns on unethical practices, corruption malpractices etc. and the said policy is available at company's website (https://www.pnbgilts.com/uploads/corporate_governance/Whistle_Blower_Policy.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Particulars	FY_25	FY_24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

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6. Details of complaints with regard to conflict of interest:

Particulars	FY_25	FY_24
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of interest of the KMPs		

7. Provide details of any corrective action taken or underway on issues related to fines /penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable * 365) / Cost of goods / services procured) in the following format:

	FY_25	FY_24
Number of days of accounts payables	43	52

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along with loans and advances and investments with related parties, in the following format:

Parameter	Metrics	FY_25	FY_24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not material	Not material
	b. Number of trading houses where purchases are made from	Not material	Not material
	c. Purchases from top 10 trading houses as % of total purchases from trading houses.	Not material	Not material
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Not material	Not material
	b. Number of dealers / distributors to whom sales are made	Not material	Not material
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distribution	Not material	Not material
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.87%	0.39%
	b. Sales (Sales to related parties / Total Sales)	1.55%	0.71%
	c. Loans and advances (Loans & Advances given to related parties / Total loans and advances)	NIL	0.04%
	d. Investments (Investments in related parties / Total Investments made)	0	0

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Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered	% of value chain program (by value of business done with such partners) under the awareness program
NIL		

The code of conduct is applicable to Board of Directors and employees, which is communicated to them via company's internal systems. The Code of Conduct for BODs is available on the website. The Company expects all the third parties to be transparent and ethical in all their dealings.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.

Yes, the company has code of conduct for directors. Board members declare their interest, if any, during meetings. All board members also affirm compliance of the said code annually. The Board of Directors abide by the code of conduct formulated by the organization. PNB Gilts has established its own set of guidelines, called the Code of Conduct for Directors and Senior Management, which are in compliance with the Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct sets code of ethics and standards for all Directors of the Company and Senior Management Personnel i.e., Chief Executive Officer (if not director), Chief Financial Officer, Company Secretary & Chief Compliance Officer and officers in Sr. Executive Vice President cadre and Head of Internal Audit (HIA). These guidelines provide instructions for the Directors to follow, including policies related to conflicts of interest. It is important to note that, in FY 2024-25, PNB Gilts did not partake in any significant transactions with its Directors or their relatives that could potentially result in a conflict of interest, except for ordinary business dealings. Additionally, all members of the Board of Directors, KMPs & Senior Management have confirmed that they have adhered to the applicable Codes for the FY 2024-25.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe



The Company is a Non-Banking Financial Company and is not engaged in a business concerning design of products and related activities that could raise economic risks and opportunities. Accordingly, keeping in view the business of the Company, the Company is not required to undertake product life cycle sustainability.

Principle 3: Business should promote the well-being of all employees



Essential Indicators

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1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E /A)	Number (F)	% (F /A)
Permanent employees											
Male	39	39	100	0	0	0	N/A	39	100	0	0
Female	14	14	100	0	0	14	100	0	N/A	0	0
Total	53	53	100	0	0	14	26.42	39	73.58	0	0
Other than permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	Not Applicable										
Female											
Total											
Non Permanent workers											
Male	Not Applicable										
Female											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY_2025	FY_2024
Cost incurred on well-being measures as a % of total revenue of the company	0.04%	0.04%

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2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY_2025			FY_2024		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority(Y/N/ N.A.)
PF	100%	NA	Y	100 %	NA	Y
Gratuity	100%	NA	Y	100 %	NA	Y
ESI	0	NA	N.A.	N.A.	NA	N.A.
Others	0	NA	N.A.	N.A.	NA	N.A.

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The corporate office at Delhi and Branch Office at Mumbai has permanent facilities for easy movement of differently abled visitors/employees, like ramps, wheelchair friendly elevators etc. Since the company is committed with strong respect for human rights, inclusive environment & safe work conditions and ethically sound business practices for employees, it provides temporary ramps to differently abled people in the remaining branch offices.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The company policies are equal for all the employees, without any deviation of rights of persons with disabilities. The Company has Code of Conduct under Regulation 17(5) of the SEBI Listing Regulations regarding Corporate Governance. The policy suggests that the Directors and Senior Management Personnel to be scrupulous in avoiding 'conflicts of interest' with the company(https://www.pnbgilts.com/uploads/corporate_governance/Code_of_Conduct_Directors.pdf). In case there is chance of conflict of interest, the Senior Management Personnel are expected to make full disclosure of all facts and circumstances to the Managing Director. Also, a prior written approval is expected to be obtained. For Managing Directors/Executive Directors, the policy suggests that he/she should make full disclosure of all facts and circumstances to the Chairman of the Board. The Chairman and any Director of the Board in like circumstances should make full disclosures to the Board.

Apart from Code of Conduct, other policies like Eligibility Criteria of Directors and Board Diversity Policy, and measures on inclusivity and employee benefits are in place. These policies strongly upholds the values of diversity and inclusivity in its organizational culture, and encourages employees to express their true selves at work and utilize their unique skills, expertise, and perspectives to deliver unparalleled benefits to all stakeholders.

The Company is free from any bias and encourages all applicants to exhibit their true potential. This approach ensures that the Company has a sufficient range of diverse thoughts within the organization, which is crucial in creating products and services that provide the Company with a competitive edge in the marketplace. The Company is steadfast in its commitment to recruiting and nurturing talent from diverse backgrounds and in fostering a work environment that values every individual for their unique skills, experiences, and perspectives.

The Company has a firm stance against any type of discrimination or harassment of its employees in the workplace. The Company fosters a culture of open communication where employees can confidently share their concerns with their Superiors or HR Manager regarding their well-being. The Company offers various communication channels to its employees to discuss and resolve any issues.

During FY 2024-25, the company did not partake in any noteworthy dealings with its directors or their immediate family members that had the potential to generate a conflict of interest between the company and those individuals, except for transactions that were performed as a part of routine operations.

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Furthermore, all members of the Board of Directors have attested to their adherence to the applicable Codes throughout FY 2024-25.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate*
Male	100%	100%	NA	
Female	100%	100%		
Total	100%	100%		

*considering those employees whose maternity/paternity leave ended in FY 2024-25.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	As stated below
Other than Permanent Employees	NA

All the employees have access to raise if they have any complaint or grievance to the management/HODs. For this, the due confirmation is also obtained from various departments and put up to the Company Secretary quarterly, and then to the holding company.

Our company's growth strategy includes diversity and inclusiveness. We have measures in place on diversity and Inclusion, and human rights for wellbeing of our employees. It is our commitment to address every grievance from our employees fairly and impartially. We provide various channels for redressal and ensure that employees are protected from any form of victimization. The company has also implemented a Whistle-Blower Policy for reporting unethical behavior, fraud, or violations of our Code of Business Conduct and Ethics.

We have a zero-tolerance policy for sexual harassment in the workplace, and we comply with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, by establishing an Internal Complaints Committee.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY_25			FY_24		
Gender	Total employees / workers in respective category (A)	No. of employees/ Workers in respective category, who are part of association (s)/ Union (B)	% (B / A)	Total employees/ workers in respective category (A)	No. of employees/ Workers in respective category, who are part of association (s)/ Union (B)	% (B / A)

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Total Permanent employees	53	0	0	55	0	0
Male	39	0	0	38	0	0
Female	14	0	0	17	0	0
Total Permanent Workers	NA					
Female						
Male						

8. Details of training given to employees and workers:

Category	FY_25					FY_24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	39	34	87.18	26	66.67	38	36	94.74*	29	76.32*
Female	14	14	100	7	50	17	14	82.35*	10	58.82*
Total	53	48	90.57	33	62.26	55	50	90.91*	39	70.91*
Workers										
Male	NA									
Female										
Total										

*Restated data of training given to employees as on March 31, 2024 of the previously shared information for FY 2023-24.

9. Details of performance and career development reviews of employees and worker:

Category	FY_25			FY_24		
	Total(A)	No.(B)	%(B/A)	Total(C)	No.(D)	%(D/C)
Employees						
Male	39	39	100	38	38	100
Female	14	14	100	17	17	100
Total	53	53	100	55	55	100
Workers						
Male	NA					
Female						
Total						

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10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

At our company, we place a high priority on the safety and well-being of our employees. While we do not typically encounter significant occupational health and safety risks in our line of business, we provide regular training on fire safety, fire-fighting equipment, and evacuation procedures to ensure that our employees are prepared for emergencies. We maintain fully stocked fire extinguishers, smoke detectors, and fire alarm systems in all of our facilities, and we inform our employees about assembly points and display floor plans and emergency contact information prominently throughout our offices. Our goal is to equip our personnel to respond effectively and efficiently to any potential fire or other emergency. The POSH Act and the Whistleblower policy is also in place to ensure a safe and ethical work environment.

In health management, other than medical insurance, a health checkup facility is given to all employees who can avail these facilities on a yearly basis. The company is also providing in house facility of Physician and Physiotherapist, who regularly visit the company. To further ensure employee health and business continuity, we advise our employees to work from home as needed. The company also conducted an awareness talk on lifestyle changes and cancer on “World Cancer Day” for its staff during the FY 2024-25.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

While the type of our business does not typically pose significant occupational health and safety risks, we remain committed to providing a safe and secure environment for our employees and customers.

To ensure the safety of our employees, we often conduct fire drills that train employees on identifying and mitigating potential dangers. Our security personnel are also trained in fire safety equipment to further reduce risks. Additionally, we issue advisories to every employee on various safety-related concerns, such as weather warnings, fire safety, and security, wherever required.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

As a financial institution, PNB Gilts does not employ workers in the traditional sense. Therefore, the question about having processes for workers to report work-related hazards and remove themselves from such risks is not applicable to the company.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

To cater to the non-occupational healthcare needs of the employees, the company offers a Group Term Life Insurance and a Medclaim policy. We educate our employees about these policies during their induction and also make them available on our internal portal for easy access. Additionally, we provide medical consultation services and regular health check-ups to our employees to ensure their overall well-being.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY_25	FY_24
Lost Time Injury Frequency Rate (LTIFR) (per one million - person hours worked)	Employees	No instance to report	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work - related injury or ill-health (excluding fatalities)	Employees		
	Workers		

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12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Regular equipment checks are done to mitigate any wear and tear due to continued use, e.g.: Air Conditioners, and UPS.
- We also conduct Fire Drill Training at all our Branches and Corporate offices; this helps employees counter any fire related dangers in premises
- Sanitizers/masks/thermometers are in place across all branches and corporate offices as per safety protocol
- Employees are made aware of assembly points for larger premises
- Premise Floor plans are displayed at crucial locations
- Fire alarm systems and smoke detectors are installed at all premises
- Fire extinguishers are kept filled to ensure effective use during any untoward incidents
- Emergency Contact details such as Police, Hospitals and Fire Brigade are also displayed on the display board
- Company has a provision of a medical practitioner and physiotherapist who offers medical consultations.

13. Number of Complaints on the following made by employees and workers:

	FY_25			FY_24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The company periodically reviews and assesses the effectiveness of health and safety practices, working conditions of its offices on 100% basis. No assessment has been done by statutory authorities or third parties.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

Although the question is not directly applicable to our business, the response is covered in point no 12. There have been no safety-related incidents reported within the past 3 years, and the company's periodic review of its health and safety practices did not reveal any significant concerns.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

While our company has not had any unfortunate incidents of this nature, we do have policies in place to provide support to affected families. These policies include Group Term coverage, and retirement benefits like Provident Fund, Gratuity, and Employees Deposit Linked Insurance Scheme, which are accessible to all employees. The company has been taking term insurance for all of its employees for three times of their annual TFC and to ensure added security, the company will introduce group accident insurance for all employees.

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2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Not Applicable.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY_25	FY_24	FY_25	FY_24
Employees	Nil			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?(Yes/No)

Yes, at board's discretion. The Company is committed to providing its employees with opportunities to develop their domain-specific knowledge, skills, and leadership abilities through various training programs. The specific decisions are taken by the board of directors of the company, if they so desire.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Although the company works in financial sector, we expect our partners to comply with government policies related to health and safety & working condition. However no assessment of value chain partners has been conducted
Working Conditions	

6. Provide details of any corrective actions taken or under way to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners

Not applicable due to the reason stated above.

Principle 4: Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.



Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders are identified by considering the extent of their influence on the business, as well as the effect that the business has on them. The initial recognition was done through focused group discussion of the senior

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management people. Impact was assessed based on the categories. Significant categories are customers, employees, shareholders, suppliers and regulatory agencies.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder groups	Whether identified as vulnerable & marginalised (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics raised during such engagements
Employees	No	Email, internal meetings	The Company values the support of all its stakeholders and respects their interest and concerns. The Company has continuous engagement with its various stakeholders to understand their concerns, assess their requirements and respond to their needs in an effective manner. Based on the requirement, the frequency changes. It could be monthly, or more frequent communications with some of the stakeholders like employees, customers etc.	Evaluating employee performance and offering incentives, providing opportunities for professional growth and skill enhancement, and implementing measures to promote employee health and safety.
Customers	No	Email, SMS, Website, Phone, Meetings		Providing excellent customer service throughout the entire customer journey and ensuring continuous awareness of product features, advantages, and potential drawbacks.
Shareholders& Investors	No	Email, newspapers, Meetings, Notice board, Website, Phone		To stay up-to-date with the latest developments within the company and its industry, monitor the performance of the company,
Suppliers	No	Email, newspapers, Meetings, Notice board, Website, Phone		Ensuring the quality and support of products and services, negotiating commercial and technical terms and conditions in contracts, providing custodial services, and adhering to statutory compliances.
Regulatory agencies	No	In-person meeting, email, their portals		Conversations regarding various approvals, circulars, guidelines, recommendations, modifications, and other related topics, reports and filings.

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Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The company emphasizes continuous and proactive interaction with its stakeholders in order to enhance the communication of its strategies and achievements. Enabling frequent communication between the board and various stakeholders and community members on social matters has been instrumental in reinforcing our dedication to social responsibility.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. Our CSR initiatives are intentionally designed to create a positive impact on the lives of underprivileged communities and on the environment. We have prepared our CSR operational manual on the basis of inputs received from CSR consultants and receivers and it has been approved by the board. We analyze customer complaints/interactions to improve our services and acknowledge the need for continuous learning. Stakeholder interactions and insights from consultants and experts help us understand and meet expectations. We have put in place the BRSR committee, which will analyze the developments on the ESG front in the regulatory space.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The Company through its CSR activities has partnered with implementing agencies towards projects aimed at underprivileged and marginalised sections of the society. The company supports CSR activities under 3 pillars; Health and Sanitisation, Education & Environment. The organization maintains constant communication with CSR implementing agencies to address the needs of vulnerable and marginalized stakeholder groups. Through its CSR initiatives, the Company is committed to design and implement projects that work towards socio-economic upliftment of underprivileged and marginalized sections of the society. In FY 25, the company has extended its support towards inclusive development and preventive healthcare through projects that empowered people with disabilities through greater mobility and self – reliance. We also supported adolescent health by facilitating access to cervical cancer vaccines contributing to early prevention and long term well-being. These efforts underscore our focus on inclusive and preventive care.

Principle 5: Business should respect and promote human rights.



Essential Indicators

1. **Employees and workers who have been provided training on human rights issue sand policy(ies) of the entity, in the following format:**

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Category	FY_25			FY_24		
	(A) Total	(B) (Number of employees)	% (B/A)	(C) Total	(D) (Number of employees)	% (D/C)
Employees						
Permanent	53	48	90.57	55	50	90.91*
Other than permanent	-	-	-	-	-	-
Total	53	48	90.57	55	50	90.91*
Workers						
Permanent	NA					
Other than permanent						
Total						

*Restated data of training on human rights for FY 2023-24 of the previously shared information as 92.73%

2. Details of minimum wages paid to employees and workers, in the following format:

	FY_25					FY_24				
Category	(A) Total	Equal to minimum wage		More than minimum wage		(D) Total	Equal to minimum wage		More than minimum wage	
		(B) (Number of employees)	% (B/A)	(C) (Number of employees)	% (C/A)		(E) (Number of employees)	% (E/D)	(F) (Number of employees)	% (F/D)
Employees										
Male	39	-	-	39	100	38	-	-	38	100
Female	14	-	-	14	100	17	-	-	17	100
Total	53	-	-	53	100	55	-	-	55	100
Workers										
Male	NA									
Female										
Total										

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3. Details of remuneration/salary/wages, in the following format

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (Rs. lacs)	Number	Median remuneration/ salary/wages of respective category (Rs. lacs)
Board of Directors (BoD)*	3	19.50	1	10.00
Key Managerial Personnel^	1	28.56	1	40.32
Employees other than BoD and KMP	38	20.31	13	21.48

*Above contains the details of persons as on March 31, 2025 to whom remuneration/wages/salaries have been paid during the respective financial year.

^ includes CFO and CS

b. Gross wages paid to females as % of total wages paid by entity, in the following format:

	FY_25 Current Financial Year	FY_24 Previous Financial Year
Gross wages paid to females as % of total wages	26.49%	26.65%*

*Restated data of gross wages paid to females for FY 2023-24 of the previously shared information as 28.28%

Note: Above contains the details of persons as on March 31, 2025 to whom remuneration/wages/salaries have been paid during the respective financial year.

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has formulated a BRSR Committee which is compliant with Sustainable Development Goals. The committee supervises various topics related to Environmental, Social and Governance including diversity and human rights. For instance, the Company has zero tolerance for sexual harassment at workplace and is compliant with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also has a whistle blower policy in place.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company places great importance on upholding and respecting human rights, which are considered fundamental and core values. We strive to ensure that all business and employment practices are conducted fairly and ethically, while also promoting and protecting human rights. To maintain transparency and accountability, we review the position of the redressal of complaints/grievances received from our employees, vendors, or customers on a quarterly basis. We have implemented policies and committees to handle human rights-related issues effectively. The Company has a zero-tolerance policy for all forms of physical, sexual, psychological, or verbal abuse.

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6. Number of Complaints on the following made by employees and workers:

	FY_25			FY_24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil					
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY_25	FY_24
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company prioritizes a safe and inclusive workplace for all, regardless of their caste, class, religion and background. We promote human rights and ethical business practices and have policies and committee to handle grievances. For instance, we have Internal Committee in place under the Sexual Harassment of Women at Workplace Act. We also have Whistle Blower Policy. Moreover, regular employee awareness sessions are conducted to prevent sexual harassment and other human rights related issue.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the company has made a decision to include clauses related to human rights in its business contracts and agreements where appropriate.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100% through our internal policies & assessment
Discrimination at workplace	
Child Labour	Not applicable as PNB Gilts is a financial organisation
Forced Labour/ Involuntary Labour	
Wages	
Others – please specify	

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11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

No human rights related complaints have been received by the company in FY 2024-2025. The company is open to make any required changes, based on complaints, if any. The Company prioritizes a safe and inclusive workplace for all, regardless of their caste, class, religion and background. We promote human rights and ethical business practices and have policies and committees in place. For instance, we have Internal Committee under the Sexual Harassment of Women at Workplace Act. We also have Whistle Blower Policy. Moreover, regular employee awareness sessions are conducted to prevent sexual harassment and other human rights related issue.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Nil

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The corporate office at Delhi and branch office at Mumbai has facilities for easy movement of differently abled visitors/employees, like ramps, wheelchair friendly elevators etc. The corporate office at Delhi and Branch office at Mumbai has permanent facilities for easy movement of differently abled visitors/employees like ramps, wheelchair friendly elevators etc. Since the company is committed with strong respect for human rights, inclusive environment & safe work conditions and ethically sound business practices for employees, it provides temporary ramps to differently able people in the remaining branch offices.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We expect our partners to abide by the highest standards of business ethics and principles. However no assessment of value chain partners has been conducted.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others—please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

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Principle 6: Business should respect, protect and make efforts to restore the environment.



Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY_25	FY_24
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non - renewable sources		
Total electricity consumption (D) (Kilojoules)	929695767.1	928595418.9
Total fuel consumption (E) (Kilojoules)	332505503.8	329518785.3
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) Kilojoules	1262201270.9	1258114204.20
Total energy consumed (A+B+C+D+E+F), Gigajoules	1262.20	1258.11
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.08	0.08
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.08	-
Energy intensity in terms of physical output (Total energy consumed / Full Time Employees)	23.82	22.87*
Energy intensity (optional) – the relevant metric may be selected by entity	-	-

*Restated data of energy intensity in terms of physical output of the previously shared information as energy intensity (optional)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However, company intends to do so as and when the regulation gets applicable.

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2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Water is primarily used for human consumption only

Parameter	FY_25	FY_24
Water withdrawal by source (in kilolitres)		
(i) Surface water		-
(ii) Groundwater		-
(iii) Third party water		-
(iv) Seawater / desalinated water		-
(v) Others (Drinking Water) (Liters)	32983.25	33710
<i>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</i>	32.98	33.70
Total volume of water consumption (in kiloliters)	32.98	33.70
Water intensity per rupee of turnover	-	-
(Water consumed / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	1.97	-
(Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output (Liters/FTE)	622.32	612.90
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*Restated data of water intensity in terms of physical output of the previously shared information as water intensity (optional)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However, company intends to do so as and when the regulation gets applicable.

4. Provide the following details related to water discharged:

Parameter	FY 2025	FY 2024
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Not applicable as the organization is a primary dealer & thus works in financial sector.	
- No treatment		
- With treatment – please specify level of treatment		

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(ii)	To Groundwater	
-	No treatment	
-	With treatment – please specify level of treatment	
(iii)	To Seawater	
-	No treatment	
-	With treatment – please specify level of treatment	
(iv)	Sent to third-parties	
-	No treatment	
-	With treatment – please specify level of treatment	
(v)	Others	
-	No treatment	
-	With treatment – please specify level of treatment	
Total water discharged (in kiloliters)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However, company intends to do so as and when the regulation gets applicable.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not applicable, as the company only uses water for human consumption.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY_25	FY_24
NOx	The company's focus is on providing financial services, therefore, any emissions from air that are not related to greenhouse gases are not considered significant by the company.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others—please specify			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However, company intends to do so as and when the regulation gets applicable.

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7. Provide details of green house gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit (Metric Tonnes of CO ₂ e)	FY_25	FY_24
Total Scope 1 emissions	tonnes CO ₂ e	24.54	24.86
(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tonnes CO ₂ e	(CO ₂ : 22.51, methane:0.02, N ₂ O: 0.13, Refrigerants: 1.87)	(CO ₂ : 22.31, methane:0.02, N ₂ O: 0.13, Refrigerants: 2.65)
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tonnes CO ₂ e	187.75	206.36
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emission / Revenue from operations)	Gram/Rs	1.27	0.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchase Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		1.27	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		4.01	4.20
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tonnes CO ₂ e/FTE	-	-

*Restated data of Scope 1 and Scope 2 emission intensity in terms of physical output of the previously shared information as Scope 1 and Scope 2 emission intensity (optional)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However company intends to do so as and when the regulation gets applicable.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

As part of its commitment to environmental sustainability and reducing greenhouse gas (GHG) emissions, PNB Gilts has upgraded infrastructure in Delhi office focused on improving energy and water efficiency. The company has installed efficient LED lighting, motion-sensor lighting was installed in low traffic areas to ensure lights are only used when needed, thereby minimizing idle energy use. Additionally, sensor based water taps were installed in restroom reducing the energy used for water heating.

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9. Provide details related to waste management by the entity, in the following format:

Parameter	FY_25	FY_24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	0.08	0.31
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0	0
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any.	0	0
(Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G+ H)	0.08	0.31
Water intensity per rupee of turnover	-	-
(Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	NA	NA
(Total waste generated / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Land filling	-	-
(iii) Other disposal operations	-	-
Total	-	-

*E-Waste is an estimate figure.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However company intends to do so and when the regulation gets applicable.

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- 10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

PNB Gilts Limited provides plethora of services in the fixed income space such as Gilts account, Debt capital Market, Retailing etc. This requires the use of resources such as electricity, and paper for forms and statements. However, the company is committed to reducing its resource consumption and enhancing energy efficiency and thus has adopted methods described above. The company is working towards reducing the paper waste and hence has moved to DESS-portal. The company has adopted glass bottles, washable cups to remain plastic free. Our E-waste is comprised of computers, servers, scanners, UPSs, Batteries, Air conditioners etc. The Company collaborates with authorized vendors for recycling of electronic waste. This is done to ensure that the disposal of electronic waste is carried out in accordance with relevant government regulations. Additionally, the company does not utilize any hazardous or toxic chemicals in its operations, resulting in the absence of any hazardous or toxic waste or by-products. We are conscious about our practices, disposal has taken place in compliance with E-Waste rules.

- 11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with?(Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable because PNB Gilts operates from rented offices, making the question regarding offices in ecologically sensitive areas not applicable to the company. Additionally, it is important to note that PNB Gilts does not have any offices located in ecologically sensitive areas.			

- 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
Not Applicable					

- 13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

The Company adheres to relevant environmental regulations.

S.No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non compliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

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Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):

For each facility/plant located in areas of water stress, provide the following information:

(i) **Name of the area:** Delhi, Kolkata, Mumbai, Chennai, Bangalore, Ahmedabad

(ii) **Nature of operations:** PNB Gilts is a primary dealer & thus works in financial sector

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY_25	FY_24
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Ground water	-	-
(iii) Third party water	-	-
(iv) Sea water/desalinated water	-	-
(v) Others (Liters)	32983.25	33710
Total volume of water withdrawal (in kiloliters)	32.98	33.70
Total volume of water consumption (in kiloliters)	32.98	33.70
Water intensity per rupee of turnover (Water consumed/turnover)	0.002	0.002
Water intensity (optional) – the relevant metric may be selected by the entity	622.33	612.91
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not applicable as the organization is a primary dealer & thus works in financial sector.	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment– please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment– please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Business Responsibility & Sustainability Report 2024-25

No, the company has not sought any external or 3rd party assurance for the above metrics. However company intends to do so as and when the regulation gets applicable.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Assessment of scope 3 emission is not conducted, as the same is not applicable.

Parameter	Unit	FY_25	FY_24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not sought any external or 3rd party assurance for the above metrics. However company intends to do so as and when the regulation gets applicable.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of low consumption, energy-efficient fittings, sensor taps etc.		
2	Replacing plastic water bottles with glass/steel bottles.		
3	Moving to DESS-portal to reduce paper waste		
4	All AC installed in the office premises which uses R-32 variant (better coolant gas that doesn't contribute to ozone depletion)		

Low-consumption and energy-efficient fittings reduce the amount of water and energy consumed, contributing to resource conservation. Sensor taps help minimize water wastage by automatically controlling the flow, only dispensing water when needed. Energy-efficient measures also has led to significant cost savings for the company in terms of reduced energy and water bills.

Replacing plastic water bottles with glass or steel bottles helps in reducing plastic waste. By promoting reusable alternatives, the company decreases its environmental footprint and contributes to mitigating plastic pollution. Moreover, transitioning to reusable bottles eliminates the need for continuous purchases of single-use plastic bottles.

The use of DESS portal has also reduced the need for paperwork leading to lessening of paper waste.

Overall, these measures contribute to resource efficiency, waste reduction, cost savings, and the company's environmental stewardship. By implementing these changes, PNB Gilts demonstrates its dedication to sustainable practices and sets a positive example for others to follow.

Business Responsibility & Sustainability Report 2024-25

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The company has conducted a thorough Business Impact Analysis and Risk Assessment, identified Recovery Goals, and established a backup site (NDRS) in Gurugram. The Mumbai branch office serves as the current Disaster Recovery Site (DRS). There are defined procedures for Emergency Response, Resumption, Recovery, and Restoration, along with minimum activities during system unavailability. Various teams with defined roles and responsibilities, including Business Continuity Management Team (BCMT), Damage Assessment, Technical, and Operations teams, have been proposed to react to disasters. The Managing Director holds the authority to declare a disaster, and a Notification Call Tree and Alert List for team members and critical vendors are included in the plan. Periodic testing (quarterly basis), is conducted to ensure the effectiveness of the plan with review and presentations to the IT Strategy Committee. The procedure for routine maintenance to reduce downtime of IT and supporting infrastructure encompasses several key steps. Firstly, any incidents related to power failure, hardware failure, software failure, air conditioning failure, or compliance failure of hardware and software should be promptly reported. Next, a thorough verification process is conducted to assess and assure the impact of the incident on operations. Finally, based on the findings, the appropriate recovery plan is selected and implemented to mitigate the effects of the incident and minimize downtime. This structured procedure ensures that maintenance activities are carried out efficiently and effectively, minimizing disruptions to the company's IT and supporting infrastructure.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

8. How many Green Credits have been generated or procured?

a. By the listed entity: NIL

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: NIL

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

The Company was a member of three trade and industry chambers/ associations during FY25.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of / affiliated to.

Business Responsibility & Sustainability Report 2024-25

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Primary Dealers Association of India (PDAI)	National
2	The Fixed Income Money Market & Derivatives Association of India (FIMMDA)	National
3	Foreign Exchange Dealers Association of India (FEDAI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
The company was compliant and it did not receive any orders from regulatory authorities that would have required it to take action against any anti-competitive behavior, indicating that there were no instances of such behavior during FY2025.		

Leadership Indicators

1. Details of public policy positions advocated by the entity.

S.No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web link, if available
There is no direct representation made, but participation happened through Industry Associations of which PNB Gilts is the member. Also there are some advocacy positions which are confidential and hence cannot be disclosed in public domain. Moreover, we have given our suggestions to RBI on industry matters through our parent bank PNB during an intra regulatory forum and also through PDAI.					

Principle 8: Business should support inclusive growth and equitable development



Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name & brief/ details of the project	SIA Notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

Business Responsibility & Sustainability Report 2024-25

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

This statement may not apply to our operations due to the nature of the business. Nevertheless, it is important to mention that we engage various implementing agencies to carry out our CSR initiatives and address concerns of the community via them.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 25	FY 24
Directly sourced from MSMEs/ small producers	N.A.	N.A.
Sourced directly from within the district and neighboring districts	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / or contract basis) in the following locations, as % of total wage cost:

	FY_25	FY_24
Rural	NIL	NIL
Semi – urban	NIL	NIL
Urban	NIL	NIL
Metropolitan	100%	100%*

*Restated data of job creation in smaller towns for FY 2023-24 of the previously shared information as NIL

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.		State	Aspirational District	Amount spent (In INR)
1.	Fitment of Artificial Limbs, Calipers, and other aids & Appliances to the person with disability	PAN India		1,44,12,430
2.	Cervical Cancer Vaccination	Delhi / NCR region		29,56,500

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Business Responsibility & Sustainability Report 2024-25

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your Company (in the current financial year), based on traditional knowledge.

Being a primary dealer, PNB Gilts is not involved in the utilization of traditional knowledge or the generation of intellectual properties associated with traditional knowledge. Hence this is not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Being a primary dealer, PNB Gilts is not involved in the utilization of traditional knowledge or the generation of intellectual properties associated with traditional knowledge. Hence this is not applicable.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	The Company partnered with "Shree Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) to implement the project of "Fitment of Artificial Limbs, Callipers, and other aids & Appliances to the person with disabilities". Under this project, BMVSS supported and rehabilitated more than 1,725 disabled individuals by providing artificial limbs, callipers, crutches, hand-paddled tricycles, wheelchairs, and hearing aids.	Data not collated	
2	The Company partnered with "The Beautiful Tomorrow" to implement the Cervical Cancer Vaccination to 1000 adolescent girls between the age group of 9 to 14 years in Rajkiya Balika Inter College.		

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.



Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company is a Primary Dealer, duly registered with Reserve Bank of India. The Company is permitted to maintain Constituent Subsidiary General Ledger account (CSGL account) with Reserve Bank of India for its clients. The transactions on behalf of constituents and the operations in the CSGL accounts are conducted in accordance with the guidelines issued by RBI on CSGL accounts. However, the Company provides Updates/ statements in accordance with RBI guidelines to all its CSGL account holders.

Business Responsibility & Sustainability Report 2024-25

Our workforce is committed towards the protection of the interest of the stakeholders viz. shareholders, creditors, investors, customers, employees, etc. Our policies consistently undergo improvements keeping in mind our goal i.e., maximization of value of all the stakeholders. The Company values the support of all its stakeholders and respects their interest and concerns. The Company has continuous engagement with its various stakeholders to understand their concerns, assess their requirements and respond to their needs in an effective manner.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable to our products and services
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY25		Remarks	FY24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	Not Applicable	
Forced Recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. PNB Gilts has a dedicated IT Strategy committee that inter-alia looks after implementation of cyber security policy duly approved by the Board. The cyber security policy is confidential and is available on intranet, hence cannot be published.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/ services

Not Applicable

Business Responsibility & Sustainability Report 2024-25

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact
- b. Percentage of data breaches involving personally identifiable information of customers

No such instance occurred last year

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

All the Information are available on website. <https://www.pnbgilts.com/government-securities>
<https://www.pnbgilts.com/gilts-account>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

PNB Gilts complies with the SEBI and RBI guidelines on Corporate Governance. We have documented our internal code on Corporate Governance in compliance of SEBI and RBI guidelines. All the Information is regularly updated on website. Also, regular email, SMS and Notifications are sent to the clients and counterparties.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We don't have a mechanism to inform consumers of any risk of disruption/discontinuation.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, product information on the website of PNB Gilts is displayed, as mandated under local laws. The Company is a Primary Dealer, duly registered with Reserve Bank of India. The Company is permitted to maintain Constituent Subsidiary General Ledger account (CSGL account) with Reserve Bank of India for its clients, which is different from its own SGL account and used exclusively for maintaining Government securities of its constituents in dematerialized form. The transactions on behalf of constituents and the operations in the CSGL accounts are conducted in accordance with the guidelines issued by RBI on CSGL accounts. However, the Company provides Updates/statements in accordance with RBI guidelines to all its CSGL account holders. The Company does not sell any physical product; hence it is not required to carry out any consumer satisfaction survey. However, the Company complies with all regulatory requirements relating to its business.

On behalf of Board of Directors

Date : July 23, 2025

Place: New Delhi



(Kalyan Kumar)

Chairman
DIN: 09631251

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Financial Review



INDEPENDENT AUDITOR'S REPORT

To

The Members of PNB Gilts Ltd,

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of PNB Gilts Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are Independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Evaluation of uncertain income tax positions: The Company has material uncertain income tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 38 to the Financial Statements	Principal Audit Procedures: Obtained summary of tax demand for various assessment years, from the management and tax retainers of the Company, for reason of such demand of Income Tax, mitigation measures taken by the Company and result thereof. We engaged our experts to cross check management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.

2.	Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Note 8) to the financial Statements). Investments include investments made by the Company in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. Investments constitute more than 93% of the Company's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter alia, cover valuation of Investments, classification of investments, identification of non-performing Investments, the corresponding non-recognition of income and provision there against. The valuation of unquoted investments and thinly traded Investments is an area of inherent risk because of market volatility, unavailability of reliable prices and macroeconomic uncertainty. Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to Investments. The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/ NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, we determined the above area as a Key Audit Matter.	Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of nonperforming investments (NPIs), provisioning related to Investments. In our audit – - In respect of 'Amortized Cost Portfolio', the valuation output from the software deployed by the Company, comprising factor like effective interest rate (EIR) was used by us. - We reviewed Company's internal control system on compliance with applicable RBI guidelines regarding valuation and provisioning related to investments. - For the selected sample of investments in hand, we test checked accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation. - We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; - We carried out substantive audit procedures to re-compute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples and tested for NPIs as per the RBI guidelines and recomputed the valuations and provision to be maintained in accordance with the RBI Circular for those selected sample.
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Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Management / Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the

Company in accordance with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The company's Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in
 - (i) planning the scope of our audit work and in evaluating the results of our work; and
 - (ii) to evaluate the effect of any identified misstatements in the financial statements.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The books of accounts of the company are maintained at head office. Hence, there is no separate branch audit report by any other auditor of any branch office. The audit of the company is conducted at head office only.
 - d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - e. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. There is no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company.
 - g. On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - h. There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected herewith.
 - i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - j. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is broadly in accordance with the provisions of section 197 of the Act.
 - k. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- {iv} The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- {v} The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- {vi} Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused to believe that the representations under sub-clause (iv) and (v) contain any material misstatement.
- l. The dividend declared and paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013 as applicable.
- m. Based on our examinations which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended 31st March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure "B", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 3. As required by the Comptroller and Auditor General of India through directions issued under section 143(5) of the Act, we give a report in the attached Annexure "C".

For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA Ashish Mittal)
Partner

Membership No. 511442

UDIN: 25511442BMNUYD5467

Date: May 02, 2025
Place : New Delhi

"Annexure- A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PNB Gilts Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PNB Gilts Ltd.** ("the Company") as of 31st March, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria approved by the Company's Board, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Batra Deepak & Associates**

Chartered Accountants

(FRN: 005408C)

A handwritten signature in black ink, appearing to be 'AS' followed by a long horizontal stroke.

(CA Ashish Mittal)

Partner

Membership No. 511442

UDIN: 25511442BMNUYD5467

Date: May 02, 2025

Place : New Delhi

Annexure B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PNB Gilts Limited of even date)

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of our audit, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company has maintained proper records showing full particulars of intangible assets;
- (b) As reported by the management of the company, the physical verification of Property, Plant and Equipment is conducted by its own staff on quarterly basis for the head office and annually for the branch offices. No discrepancies were reported during the physical verification of these assets.
- (c) The Company owns 22 flats as immovable properties. The title deeds of the flats are in the name of the company.
- (d) The Company has not revalued any of its assets during the year.
- (e) During the year under consideration, no proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company's inventory comprising of Treasury Bills and Dated Government Securities are held in the form of Subsidiary General Ledger (SGL) account maintained with the Reserve Bank of India and the said stock is verified by the management with the statements received from Reserve Bank of India on a monthly basis. The stock of other securities held by the company in de-materialized form with NSDL/ SHCIL, is verified by the management with the statements received from them on a monthly basis. In our opinion, the frequency of such verification is reasonable. No discrepancies were observed during the physical verification of inventory as compared to book records.
- (b) The Company has a working capital limit of Rs. 2,69,000 Lacs from Punjab National Bank against pledge of securities having market value of Rs. 25,446 Lacs and fixed deposit of Rs 20,000 lacs as on 31.03.2025. No returns or statements is required to be submitted to bank, hence no question of our verification of the Information submitted arises.
- (iii) (a) During the year, the Company has not provided any loan or advances in the nature of loan, or stood guarantee, or provided security to any other entity except to its employees.
- (b) The terms and conditions of the investments made by the company are not prejudicial to the company's interest. During the year, the company has not given any guarantees for other entity.
- (c) The Company has not given any loans except to its employees and all the staff loans are regular in repayments.
- (d) No loan is overdue for payment as at year end.
- (e) During the year, no loan has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us, no loans, investments, guarantees and securities have been given by the company to concerns which are covered under section 185 of the Companies Act, 2013 and section 186 of the Companies Act, 2013.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
- (vi) According to the information/explanations given to us, maintenance of the cost records for the products/ services/activities of the Company has not been prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013.
- (vii) (a) According to the information/explanations given to us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities.
- (b) According to the information/explanations given to us, the Company has some disputes which have resulted into demands under the Income Tax Act, 1961 which have been not deposited. The details of which are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which, the amount relates (Assessment Year)	Forum where dispute is pending	Remarks, If any
Income Tax Act, 1961	Income Tax	357.00	2012-13	ITAT	Matter is under hearing
Income Tax Act, 1961	Income Tax	424.00	2013-14	ITAT	Matter is under hearing
Income Tax Act, 1961	Income Tax	328.17	2020-21	AO	Rectification applied by the company
Total		1109.17			

- (viii) According to the information/explanations given to us, no transaction has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial Institution or banks.
- (b) According to the information/explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) Term loans raised by the Company, were applied for the purposes for which those are raised.
- (d) The Company is a RBI approved primary dealer of Gilts securities. As its principal line of business, company borrows funds from call money market, bankers, financial institution etc on overnight and short-term basis to invest in securities held for trading as well as long term investments. As at the close of the year, the company has long-term investment held at amortised cost amounting to Rs. 1,05,151 .30 Lacs.
- (e) According to the Information/explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- (x) (a) According to the information and explanations given to us, the Company has not raised any money out of initial public offer or further public offer (including debt instruments). Term loans and short-term borrowings through commercial paper raised by the company, were applied for the purposes for which those are raised.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year under review.
- (xi) (a) According to the information and explanations given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the year nor have we been informed of such case by the management during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, during the year, no whistle blower complaint has been received by the company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company, thus this para does not apply to it.
- (xiii) According to the information and explanations given to us, the Company has complied with requirements of section 177 of the Companies Act, 2013 and Section 188 of the Companies Act, 2013 in relation to the related parties. The company has also disclosed the requirements as laid down in the accounting standards in the relation to the related parties in the financial statements in the Note no. 35A & 35B Related Party Information.
- (xiv) (a) The Company has an Internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with it during the year under review.
- (xvi) (a) According to the information and explanations given to us, the Company is a NBFI duly registered under section 45 I-A of the Reserve Bank of India Act, 1934.
- (b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) None of the Group Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (xvii) The Company has not incurred cash loss during the financial year. The company had incurred cash loss of Rs. 1,991.49 Lacs in the immediately preceding financial year.
- (xviii) During the year under review, there has been no change in the statutory auditors of the company.
- (xix) On the basis of the information provided, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) The company has no unspent amount of CSR activity, in respect of other than ongoing projects.
- (b) The company does not have any amount remaining unspent at the end of the financial year under sub section (5) of section 135 of the Companies Act, pursuant to any ongoing project.
- (xxi) Not applicable being a standalone financial statement.

For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)

A handwritten signature in black ink, appearing to be 'AS' followed by a long horizontal stroke.

(CA Ashish Mittal)

Partner

Membership No. 511442

UDIN: 25511442BMNUYD5467

Date: May 02, 2025

Place : New Delhi

Annexure 'C' to the Independent Auditor's Report

Directions indicating the areas to be examined by the Statutory Auditors during the course of Audit of annual accounts of PNB Gilts Limited for the year 2024-25 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act. 2013.

Sr. No.	Area Examined	Observations/Findings
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts alongwith the financial Implications, if any, may be stated.	The Company has system of processing of accounting transactions partially through system with human intervention and partially by direct feeding manually. The implication of processing of accounting transactions outside IT system has no effect on the integrity of the accounts.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact maybe stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for Statutory Auditor of lender company).	There is no case of restructuring/ waiver/ write off of debts/ loans/ interest etc. reported by the Management and/or observed during our audit of the year.
3.	Whether funds (grants/subsidy etc) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its terms and condition? List the cases of deviations.	There is no case of funds (grants/subsidy etc) received/receivable for specific schemes from Central/ State Government or its agencies reported by the management and/or observed during our audit of the year.

For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA Ashish Mittal)
Partner

Date: May 02, 2025
Place : New Delhi

Membership No. 511442
UDIN: 25511442BMNUYD5467

Non-Banking Financial Companies Auditor's Report for the Year Ended 31.03.2025

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

In terms of Reserve Bank of India, Master Direction-Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016 we report that –

The Company is engaged in the business of Non-Banking Financial Institution as Primary Dealer (PD). The Company has received Registration Certificate No. 14.00007, as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) from Reserve Bank of India on February 10, 1998. The Company is entitled to continue to hold Certificate of Registration in terms of its Principal Business criteria (financial asset/income pattern) as on March 31, 2025.

The Company is meeting the required net owned fund required in terms of Master Direction - Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023

A resolution for non-acceptance of any public deposits was passed in the meeting of the Board held on 25th April, 2024 and the Company has not accepted any public deposits during the year ended March 31, 2025.

The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Master Direction - Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

There is no requirement to file form NBS-7 exists for the year under review, hence we are unable to comment on that.

For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)

A handwritten signature in black ink, appearing to be 'AS' followed by a long horizontal stroke.

(CA Ashish Mittal)
Partner

Date: May 02, 2025

Place : New Delhi

Membership No. 511442

UDIN: 25511442BMNUYD5467

Balance Sheet as at 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial assets			
Cash and cash equivalents	3	6,228.67	29,803.27
Bank balance other than above	4	20,141.30	175.15
Derivative financial instruments	5	66,499.71	50,053.51
Receivables	6		
(i) Trade receivables		36.15	28.62
(ii) Other receivables		9.63	262.40
Loans	7	5,543.52	23,386.14
Investments	8	23,16,500.54	23,00,759.99
Other financial assets	9	53,814.35	46,656.81
		24,68,773.86	2,451,125.90
Non- financial assets			
Current tax assets (net)	10	578.33	486.23
Deferred tax assets (net)	11	120.68	1,492.62
Investment property	12A	-	-
Biological assets other than bearer plants		-	-
Property, plant and equipment	12B	268.73	263.84
Capital work-in-progress	12C	-	-
Intangible assets under development	12F	-	-
Goodwill		-	-
Other Intangible assets	12E	3.63	65.28
Right of Use asset	12D	229.79	387.49
Other non-financial assets	13	275.57	152.97
		1,476.73	2,848.43
	TOTAL	24,70,250.59	24,53,974.33
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	5	67,284.56	50,188.28
Payables	14		
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		85.24	106.32
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		14.31	2.32
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		319.93	367.83

Balance Sheet as at 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
Debt Securities		-	-
Borrowings (other than debt securities)	15	22,38,145.55	22,39,901.28
Lease Liability	12D(ii)	254.90	407.43
Other financial liabilities	16	9,219.72	29,093.95
		23,15,324.21	23,20,067.41
Non financial liabilities			
Current tax liabilities (net)	17	126.94	455.84
Provisions	18	198.13	413.21
Deferred tax liabilities (net)	11	-	-
Other non-financial liabilities	19	81.44	62.21
		406.51	931.26
Equity			
Equity share capital	20	18,001.01	18,001.01
Other equity	21	1,36,518.85	1,14,974.65
		1,54,519.86	1,32,975.66
Total Liabilities and Equity		24,70,250.59	24,53,974.33

Material accounting policies information and notes to accounts 1 to 66 are an integral part of these financial statements.

For and on behalf of the Board



(Kalyan Kumar)
Director
DIN: 09631251



(C.A. Chandra Prakash)
CFO
Membership No. 415359



(Gopal Singh Gusain)
Director
DIN: 03522170



(Monika Kochar)
Company Secretary
Membership No. F6514

In terms of our report of even date
For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA. Ashish Mittal)
Partner
Membership No. 511442

Date: May 02, 2025
Place : New Delhi
Regd off : 5, Sansad Marg,
New Delhi – 110001

Statement of Profit and Loss for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

	Notes	Year ended March 2025	Year ended March 2024
Revenue from operations			
Interest income	22	1,51,190.07	1,51,804.29
Dividend income		12.57	5.77
Rental income	23	-	0.20
Fees and commission income	25	919.76	799.77
Net gain on securities (Realised & Unrealised)	24	15,475.97	5,025.52
Total revenue from operations		1,67,598.37	1,57,635.54
Other income	26	29.52	31.71
Total income		1,67,627.90	1,57,667.25
Expenses			
Finance cost	27	1,31,240.93	1,41,132.41
Fees and commission expense	28	2,054.04	2,270.35
Net loss on securities (Realised & Unrealised)	24	-	-
Employee benefit expenses	29	1,610.24	1,657.76
Depreciation, amortization and impairment	12A,B,C,D	341.86	1,536.83
Other expenses	30	1,505.31	1,556.16
Total expenses		1,36,752.38	1,48,153.52
Profit/(loss) before exceptional items and tax		30,875.51	9,513.73
Exceptional items	31	(219.95)	(367.60)
Profit/(loss) before tax		31,095.46	9,881.33
Tax expense/(credit):			
(1) Current tax		6,407.55	3,457.51
(2) Deferred tax		1,358.07	(521.12)
(3) Earlier year taxes		26.77	3.86
Total Tax Expenses		7,792.40	2,940.26
Profit/ (loss) for the year		23,303.06	6,941.07

Statement of Profit and Loss for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

	Notes	Year ended March 2025	Year ended March 2024
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan		55.11	46.67
(ii) Income tax relating to items that will not be reclassified to profit or loss		(13.87)	(11.75)
Other comprehensive income		41.24	34.92
Total comprehensive income/ (loss) for the year (comprising profit/ (loss) and other comprehensive income for the year)		23,344.31	6,975.99
Earnings per equity share (EPS)	32		
Basic (Rs.)		12.95	3.86
Diluted (Rs.)		12.95	3.86

Material accounting policies information and notes to accounts 1 to 66 are an integral part of these financial statements.

For and on behalf of the Board



(Kalyan Kumar)
Director
DIN: 09631251



(C.A. Chandra Prakash)
CFO
Membership No. 415359



(Gopal Singh Gusain)
Director
DIN: 03522170



(Monika Kochar)
Company Secretary
Membership No. F6514

In terms of our report of even date
For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA. Ashish Mittal)
Partner
Membership No. 511442

Date: May 02, 2025
Place : New Delhi
Regd off : 5, Sansad Marg,
New Delhi – 110001

Statement of Changes in Equity for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

a. Equity share capital

(1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated Balance at the beginning of the current reporting period	Changes in Equity Share capital during the current year	Balance at the end of the current reporting period.
18,001.01	-	18,001.01	-	18,001.01

(2) Previous Reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated Balance at the beginning of the previous reporting period	Changes in Equity Share capital during the previous year	Balance at the end of the previous reporting period.
18,001.01	-	18,001.01	-	18,001.01

b. Other equity

(1) Current Reporting Period

Particulars	Reserves and surplus						Total
	Statutory reserve	Securities premium	General reserve	Market fluctuation reserve	Capital reserve	Retained earning	
Balance as at 31st March, 2024	42,666.57	2,501.27	9,776.54	6,300.00	6,320.04	47,410.22	114,974.65
Profit for the year	-	-	-	-	-	23,303.06	23,303.06
Other comprehensive income for the year	-	-	-	-	-	41.24	41.24
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Total comprehensive income	42,666.57	2,501.27	9,776.54	6,300.00	6,320.04	70,754.52	138,318.95
Transactions with owners in their capacity as owners:							
Dividends	-	-	-	-	-	(1,800.10)	(1,800.10)
Transferred from retained earnings	4,660.61	-	-	-	-	-	4,660.61
Other adjustments	-	-	-	-	-	-	-
Transferred to other reserves	-	-	-	-	-	(4,660.61)	(4,660.61)
Balance as at 31st March, 2025	473,27.18	2,501.27	9,776.54	6,300.00	6,320.04	64,293.81	136,518.85

(2) Previous Reporting Period

Particulars	Reserves and surplus						Total
	Statutory reserve	Securities premium	General reserve	Market fluctuation reserve	Capital reserve	Retained earning	
Balance as at 31st March, 2023	41,278.36	2,501.27	9,776.54	6,300.00	6,320.04	41,822.45	107,998.66
Profit for the year	-	-	-	-	-	6,941.07	6,941.07
Other comprehensive income for the year	-	-	-	-	-	34.92	34.92
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-

Statement of Changes in Equity for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Reserves and surplus						Total
	Statutory reserve	Securities premium	General reserve	Market fluctuation reserve	Capital reserve	Retained earning	
Total comprehensive income	41,278.36	2,501.27	9,776.54	6,300.00	6,320.04	48,798.44	1,14,974.65
Transactions with owners in their capacity as owners:							
Dividends	-	-	-	-	-	-	
Transferred from retained earnings	1,388.21	-	-	-	-	-	1,388.21
Other adjustments	-	-	-	-	-	-	-
Transferred to other reserves	-	-	-	-	-	(1,388.21)	(1,388.21)
Balance as at 31st March, 2024	42,666.57	2,501.27	9,776.54	6,300.00	6,320.04	47,410.22	1,14,974.65

Profit of Rs. 41.24 lacs (P.Y. Rs.34.92 lacs) on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2025 and March 31, 2024 respectively

Material accounting policies information and notes to accounts 1 to 66 are an integral part of these financial statements.

For and on behalf of the Board



(Kalyan Kumar)
Director
DIN: 09631251



(C.A. Chandra Prakash)
CFO
Membership No. 415359



(Gopal Singh Gusain)
Director
DIN: 03522170



(Monika Kochar)
Company Secretary
Membership No. F6514

In terms of our report of even date
For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA. Ashish Mittal)
Partner
Membership No. 511442

Date: May 02, 2025
Place : New Delhi
Regd off : 5, Sansad Marg,
New Delhi – 110001

Statement of Cash Flows for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax	31,095.46	9,881.33
<i>Adjustments for</i>		
Add: Depreciation and amortisation expense	341.86	1,536.83
Changes in provisions	(159.97)	138.38
Loss/(profit) on sale of property, plant and equipment	(0.96)	(3.61)
Interest expense on leased liability	29.02	34.37
Interest paid	1,31,211.91	1,41,098.04
Less: Discount and interest received	(1,51,190.07)	(1,51,804.29)
Dividend received	(12.57)	(5.77)
Operating Profit/(loss) before changes in operating activities	11,314.69	875.29
Cash flow from operating activities		
Add: Discount and interest received	1,51,190.07	1,51,804.29
Dividend received	12.57	5.77
Interest paid	(1,31,211.91)	(1,41,098.04)
<i>Adjustment for changes in operating activities</i>		
Changes in investments in FDR	(19,966.15)	30,104.98
Changes in investments at fair value through profit and loss	(15,090.47)	(4,47,874.82)
Changes in financial assets and non-financial assets	10,807.74	94,961.35
Changes in financial liability and non-financial liabilities	(19,886.94)	26,704.86
Cash used in operations	(12,830.40)	(2,84,516.34)
Less: Net taxes paid	(6,857.93)	(2,990.28)
(A) Net cash used in operating activities	(19,688.33)	(2,87,506.62)
Cash flow from investing activities		
<i>Adjustment for changes in investing activities</i>		
Sale proceeds of property, plant and equipment	1.27	4.50
Purchase of property, plant and equipment	(98.74)	(109.23)
(B) Net cash used in investing activities	(97.48)	(104.73)
Cash flow from financing activities		
<i>Adjustment for changes in financing activities</i>		
Changes in borrowings and debt securities (net) (refer note 37)	(1,755.74)	3,16,064.82
Lease Accounting Adjustment	(207.91)	(174.29)
Dividend paid	(1,800.10)	-
Changes in unclaimed dividends and bonus fractional entitlement (net)	(25.04)	(13.78)

Statement of Cash Flows for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
(C) Net cash flow from financing activities	(3,788.79)	3,15,876.75
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	(23,574.60)	28,265.41
Cash and cash equivalent at the beginning of the year	29,803.27	1,537.86
Cash and cash equivalent at the end of the year	6,228.67	29,803.27
Balances with banks		
Balances with Reserve Bank of India	6,166.04	27,304.13
Balances with PNB Current Accounts	62.63	2,499.14
	6,228.67	29,803.27

- (1) The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS-7- Statement of Cash Flows notified under Section 133 of the Companies Act, 2013.
- (2) Cash and Cash equivalents comprises of balances with scheduled banks and RBI
- (3) Cash and Cash Equivalents as at 31 March, 2024 includes Rs. 2469.60 lacs lien for Initial Public Offer of SRM Contractors Limited

Material accounting policies information and notes to accounts 1 to 66 are an integral part of these financial statements.

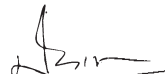
For and on behalf of the Board



(Kalyan Kumar)
Director
DIN: 09631251



(C.A. Chandra Prakash)
CFO
Membership No. 415359



(Gopal Singh Gusain)
Director
DIN: 03522170



(Monika Kochar)
Company Secretary
Membership No. F6514

In terms of our report of even date
For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA. Ashish Mittal)
Partner
Membership No. 511442

Date: May 02, 2025
Place : New Delhi
Regd off : 5, Sansad Marg,
New Delhi – 110001

Notes to Financial Statements for the year ended 31st March, 2025

NOTE 1

A. Corporate information

PNB Gilts Limited is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company has been granted the License of NBFC by the Reserve Bank of India and working as a Standalone Primary Dealer. The Company's primary activities entail supporting government borrowing program via underwriting of government securities issuances and trade in a gamut of fixed income instruments such as Government securities, Treasury Bills, State Development Loans, Corporate Bonds, Interest Rate Swaps and various money market instruments such as Certificates of Deposits, Commercial Papers etc. The Company has dedicated trading desk managed by experienced professionals having strong research and market insights. The company is also providing custodian services to its constituents. The Company's registered office is at 5, Sansad, New Marg Delhi, India. The company is also a subsidiary of one of the largest Indian commercial banks Punjab National Bank.

The financial statements are approved for issuance by the company's Board of Directors on 02nd May, 2025

B. Basis of preparation

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and comply with the relevant provisions of the Companies Act 2013 and the Reserve Bank of India guidelines as applicable to the Primary Dealers and NBFC. The financial statements have been prepared in accordance with Division III of Schedule III notified by MCA on 11th October, 2018 as amended from time to time.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy no VII regarding financial instruments) which have been measured at fair value.

Functional and presentation Currency

The company's presentation and functional currency is Indian rupees (Rs.). All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in lakhs.

Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note no. 40 "Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

NOTE 2

C. Summary of material accounting policies information

I. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI), or through profit or loss (FVTPL) and those to be measured subsequently at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets classified as 'measured at fair value', gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortised cost', this will depend on the business model and contractual terms of the cash flows.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

However, this assessment is performed on the basis of scenarios that the Company reasonably expects to occur and not so-called 'worst case' or 'stress case' scenarios

The Company considers sale of Investment (Government Security – SDL) measured at amortised cost portfolio as consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows if these sales are:

- i. In case of liquidity crisis faced by the company which can hit the funding operations. Company may liquidate the amortised cost portfolio if the funding cost exceeds MIBOR plus 50 bps for three successive working days. The decision to sell under such circumstances shall be taken by the Investment Committee.
- ii. Catastrophic scenarios, which could be termed as one off situations (GFC, COVID crisis etc) wherein portfolio liquidation needs to be carried out. However, sale under such scenarios shall only be undertaken post approval from the Risk Management Committee.

The sale window shall however remain open for 30 days from trigger of the stress event.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of

consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI, such financial assets are either classified as fair value through profit and loss account or fair value through other comprehensive income.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

i. Debt Instruments at Amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the PnDL.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as per provisions of relevant Ind AS.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P and L.

Derivative financial instruments: The Company uses derivative financial instruments, such as Future contracts, Options, Interest rate Future contracts for trading purpose and interest rate swaps for trading as well as to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and the resulting gain or loss is recognized in statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits.

For recognition of impairment loss on financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P and L).

Financial liabilities

Initial recognition and measurement

A financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL, if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss.

Reclassification of financial instruments

The company did not reclassify any of its financial assets or liabilities subsequent to its initial recognition during the FY 2024-25 and FY 2023-24.

Derecognition of Financial instruments

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

II. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits and other highly liquid investments, with an original maturity of three months or less and are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

For the purpose of the Financial Statements, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

III. Revenue recognition

- i. Interest income, for all debt instruments measured either at amortised cost (Short term lending, Fixed deposits and Government securities) or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are incrementally directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.
- ii. Changes in fair value of securities classified at fair value through profit and loss (FVTPL) (Certificates of Deposit, Commercial Papers, Bills Re-discounted, Treasury Bills (including Cash Management Bills), Zero Coupon Bonds, Government dated securities (including State Development Loan), Corporate bonds and debentures, Equity shares and Mutual funds) shall be taken to Profit and Loss.
- iii. The difference between the acquisition cost and maturity value of Certificates of Deposit, Commercial Papers, Bills Re-discounted, Treasury Bills (including Cash Management Bills) and Zero Coupon Bonds is apportioned on time basis. The above is recognised as accrued income.
- iv. Interest income on Government Dated Securities and Corporate Bonds and Debentures is recognised at its coupon rate and that of Floating Rate Bonds is recognised on the yield of instruments to which these are linked
- v. Dividend income is recognized when the Company's right to receive payment is established by the reporting date.
- vi. Underwriting fees: Underwriting fee earned on the government securities is credited in the statement of profit and loss account.
- vii. Commission and other fees: Commission and other fees will be recognized as and when the performance obligation is satisfied as per IND AS 115.
- viii. Other income received through rent, interest on staff loans, house rent recovery and Misc. Income are accounted for on accrual basis.

IV. Accounting of Expenses

Interest expense is measured and recognised on Effective Interest Rate (EIR) method. Other expenses are accounted for on accrual basis as and when it gets accrued.

V. Accounting for Repo Transactions

Sales / Purchases of Treasury Bills (including Cash Management Bills) and Government Dated Securities, as disclosed in Statement of Profit and Loss do not include Repo/Reverse Repo transactions in accordance with RBI guidelines No. RBI/2009-2010/356/IDMD/4135/11.08.43/2009-10 dated March 23, 2010.

In conformity with RBI guidelines, securities sold under Repo transactions are not excluded from the portfolio and the securities purchased under Reverse Repo are not included in the portfolio. Contra heads are used to reflect the transfer of securities.

Repo seller continues to accrue coupon/ discount on securities, as the case may be, even during the repo period while the repo buyer shall not accrue the same.

VI. Fair value measurement

On initial recognition, all the financial instruments are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The Company has used the following methods for deriving the fair values:

- i. Fair Value of Government dated Securities, Treasury Bills (including Cash Management Bills), State development loans, Interest Rate Swaps, Certificates of Deposit and PSU/Corporate bonds and debentures, is determined by the prices or yield, as applicable, declared by Fixed Income Money Market and Derivatives Association of India (FIMMDA)/Financial Benchmark India Private Limited (FBIL) on last working day of the Financial Year.
- ii. In case of Commercial Papers, company shall use market observable spread over T Bill curve and based on that new benchmark (T-Bill + constant spread across the curve) company shall interpolate and calculate CP prices corresponding to the residual maturities.
- iii. Fair value of Equity Shares is determined by the closing rates provided by the stock exchanges on last working day of the Financial Year.

- iv. In case of units of Mutual Fund, valuation is done on the basis of closing NAV declared by the Mutual Fund.
- v. In case of Future and Options contracts (i.e IRF, Equity futures and Nifty futures) valuation is done as per the closing prices provided by Stock Holding Corporation of India Limited (SHCIL).

VII. Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Uncertain Tax Position

Further, the company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the company concludes, it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used and its income tax filings.

If the company concludes, it is not probable that the taxation authority will accept an uncertain tax treatment, the company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The company reflects the effect of uncertain tax positions in the overall measurement of tax expense and or based on the most likely amount or the expected value arrived at by the company, which provides a better prediction of the resolution of uncertainty.

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by taxing authorities or through statute, expiration and judicial precedent.

VIII. Exceptional Items

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of their size, nature or incidence.

IX. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

X. Event of Default

As per the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, NBFCs have to comply with IND AS 109 for preparation of financial statements from FY 2018-19 onwards. Amongst its various requirements, it requires entities to define default in a manner consistent with internal risk management policies (IND AS does not explicitly define default). Complying with the requirements of the IND AS 109, the Company has defined default and the accounting treatment of the default asset in the following manner:

1. Definition of Event of Default

Any asset/issuer shall be termed as default if there is any instance of non-receipt of interest and/or principal obligation by an issuer towards any securities/issuance/s in Company's books.

2. Accounting Treatment

Company proposes the following accounting adjustments to be adopted with respect to the securities/issuances that fall under the definition of default.

Accounting Treatment

Cashflow Type	Matured Issuance/Security	Existing Issuance/Security
Interest Amount*	Interest accrued but not received will be written off with immediate effect.	- Total interest accrued but not received will be written off in the fourth quarter from the event of default or in the quarter in which maturity falls (whichever is earlier). - Till write off, provision for the same will be made on monthly basis from the event of default.
Book Value of Investment	Book value of investment will be written off with immediate effect.	- Total Book value of investment will be written off in the fourth quarter from the event of default or in the quarter in which maturity falls (whichever is earlier). - Till write off, provision for the same will be made on proportionate basis from the event of default.

*In case of non-receipt of interest amount, any delay of interest payment by the issuer due to technical issues pertaining to transfer of the interest, if timely informed by the issuer, shall not be treated as a case of default.

The number of such defaults and the total amount outstanding and the overdue amounts shall be disclosed in the notes to the financial statements.

In case of recovery of the default asset, if the amount is received before the date of balance sheet signing, the same will be accounted for in the said balance sheet as per the provisions of Ind AS-10 'Events after the Reporting period'.

XI. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is charged/ provided in the statement of profit and loss.

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

Contingent liabilities are reviewed at each reporting date.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. Contingent assets are reviewed at each reporting date. A contingent asset is disclosed where an inflow of economic benefits is probable.

Summary of Other Accounting policies Information

1a. Property, plant and equipment (PPE) and intangible assets

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

When the use of a property changes from Owner occupied to Investment Property, the property is reclassified as Investment Property at its carrying amount on the date of reclassification.

1b. Investment Properties

The flats classified as Investment Property are purchased for the staff. However, in view of no requirement by the staff members, they were given to the Parent Bank employees only for a period of 11 months with two/ more extensions.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing cost for long term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The company depreciates investment property over 60 years from the date of original purchase.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the Note of the financial statements where applicable.

When the use of a property changes from Investment Property to Owner occupied, the property is reclassified as Property, Plant and Equipment at its carrying amount on the date of reclassification.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.

Ic. Depreciation on Property, plant and equipment, Investment Properties and Amortization of intangible assets

The depreciation on the Property plant and equipment is calculated on a Written Down Value (WDV) basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. Residual value of Land and Building and Vehicles is taken as 5 percent of the original cost, whereas for assets other than those specified above the residual value is taken as Re.1.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

II. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever

events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the Incremental borrowing rates in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

Leases which have expired have not been accounted as per Ind AS 116.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

III. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use (i.e. the present value of the future cash flows expected to be derived from an asset or cash generating unit). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss, if any, will be charged to statement of profit and loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that other standard.

IV. Employee Benefit Expenses

Employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

Defined benefit Plan

Leave liability is defined benefit obligation which is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each reporting date. Gratuity under the employee group gratuity cum life insurance scheme of LIC is defined benefit obligation, which is funded, and the cost of providing benefits under the defined benefit plan is determined using the projected unit credit method provided by LIC.

Post-Retirement Medical Benefit expense is borne by the company for all the superannuated employees who have served the company for a minimum of ten years and their spouses. The cost of providing such benefits is determined using the projected unit credit method with actuarial valuations being carried out at each reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- i. The date of the plan amendment or curtailment, and
- ii. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii. Net interest expense or income

V. Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of a non cash nature, any deferral or accruals of past and future operating cash receipts or payments and items of income associated with investing or financing cash flows.

VI. Dividend to share holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

VII. Corporate Social Responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

VIII. Significant Judgement and Estimates

The preparation of the financial statements in conformity with Indian Accounting Standards ('Ind AS') requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Some of the areas involving significant estimation / judgement are determination of Expected Credit Loss, Fair valuation of Investments, Income taxes and Employee benefits.

IX. Prior Period Items

The prior period items are identified as those that result from errors or omissions in the financial statements of previous periods. The material prior period items shall be corrected retrospectively in the financial statements.

An item from the prior period will be considered material if it constitutes 2% of the main expense/ income head respectively as per Statement of Profit & Loss of the last audited financial statements to which it pertains.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 3: Cash and cash equivalents		31st March, 2025	31st March, 2024
Balances in current account with:			
- Reserve Bank of India		6,166.04	27,304.13
- Scheduled Banks #		62.63	2,499.14
Total		6,228.67	29,803.27
Note 4: Bank balance other than above		31st March, 2025	31st March, 2024
Bank deposits (more than 3 months and upto 12 months)^		20,013.00	13.00
Balance with scheduled banks (earmarked balances)*		128.30	162.15
Total		20,141.30	175.15
*Earmarked balances with banks			
Balance with Scheduled Banks earmarked towards Unclaimed Dividends		128.30	153.34
Balance with Scheduled Banks earmarked towards Unspent CSR Amount		-	8.81
Total		128.30	162.15

^ As at 31st March, 2025, Rs. 13.00 lacs are in the joint name of the company with NSEIL and Rs. 20,000 lacs pledged with PNB against which overdraft facility is taken, hence not freely available for use of the company.

As at 31 March, 2024, Rs. 2469.60 lacs have been lien for Initial Public Offer of SRM Contractors Limited

^ As at 31st March, 2024, Rs. 13.00 lacs are in the joint name of the company with NSEIL hence not freely available for use of the company.

Note 5: Derivative financial instruments

The company enters into derivatives for risk management purposes and trading purposes. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. For management of risks, see note 41.

Particulars	31st March, 2025			31st March, 2024		
	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Interest rate derivatives:						
Interest Rate Swaps (Asset)	69,38,710.70	66,499.71	-	74,03,411.08	50,053.51	-
Interest Rate Swaps (Liability)	70,52,550.08	-	67,284.56	75,27,291.42	-	50,176.10
Interest Rate Futures/ Index Option (equity linked derivatives)	85.70	-	0.00	14,589.82	-	12.18
Total derivative financial instruments	1,39,91,346.47	66,499.71	67,284.56	1,49,45,292.32	50,053.51	50,188.28

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 6: Receivables

	31st March, 2025	31st March, 2024
(i) Trade Receivables		
(a) Receivables considered good- Secured	-	-
(b) Receivables considered good- Unsecured	36.15	28.62
(c) Receivables which have significant increase in credit risk	-	-
(d) Receivables-credit impaired	-	-
Less: Provision for loss allowances	-	-
Total	36.15	28.62

Trade Receivables Aging Schedule

2024-25	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	36.15	-	-	-	-	36.15
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed trade Receivables- considered good	-	-	-	-	-	-
(ii) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Disputed trade receivables -credit impaired	-	-	-	-	-	-

2023-24	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	28.62	-	-	-	-	28.62
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables -credit impaired	-	-	-	-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

(iv) Disputed trade Receivables-considered good	-	-	-	-	-	-
(ii) Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Disputed trade receivables -credit impaired	-	-	-	-	-	-

(ii) Other Receivables

	31st March, 2025	31st March, 2024
Amount receivable from RBI as interest	-	250.40
Amount receivable from SREI Equipment Finance Limited	9.10	11.77
GST recoverable	-	0.23
Misc amount receivable	0.53	-
Total	9.63	262.40

Note 7: Loans*

Particulars	31st March, 2025	31st March, 2024
At amortised Cost		
Others		
Reverse Repo Lending	5,226.76	23,077.86
	5,226.76	23,077.86
Term loans		
Staff loans	316.75	308.28
Total (A) Gross	5,543.52	23,386.14
Less: Impairment loss allowance	-	-
Total (A) Net	5,543.52	23,386.14
Secured by tangible assets and intangible assets	5,535.16	23,375.09
Unsecured	8.35	11.05
Total (B) Gross	5,543.52	23,386.14
Less: Impairment loss allowance	-	-
Total (B) Net	5,543.52	23,386.14
Loans in India		
Others (to be specified)		
-Lending under Reverse Repo	5,226.76	23,077.86
-Staff loans	316.75	308.28
Total (C) Gross	5,543.52	23,386.14
Less: Impairment loss allowance	-	-
Total (C) Net	5,543.52	23,386.14

*The company has assessed that there is no risk of default. Hence, no Expected Credit Loss (ECL) is computed on the same.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 8: Investments

	31st March, 2025	31st March, 2024
Investments At Amortised Cost #		
Government Securities	1,05,151.30	2,46,628.93
Investments (Stock-in-Trade) At fair value through profit or loss (FVTPL)		
Government Securities	19,48,391.83	18,21,028.69
Bonds, debentures, Certificate of Deposits (CDs) and Commercial Paper (CPs)	2,62,655.10	2,32,864.54
Equity Instruments	302.31	237.83
Total gross (A)	23,16,500.54	23,00,759.99
Investments in India	23,16,500.54	23,00,759.99
Total (B)	23,16,500.54	23,00,759.99
Total (A) to tally with (B)	23,16,500.54	23,00,759.99
Less: Allowance for Impairment loss (C)	-	-
Total Net D = (A) -(C)	23,16,500.54	23,00,759.99

The Company is providing custodian services to its constituents and total holdings of 94 (P.Y. 93) constituents in government securities as at 31st March, 2025 in SGL II with RBI is Rs. 84,80,594.80 lacs (P.Y. Rs. 87,18,875.40 lacs)

(#) The Portfolio (Government Security) measured at amortised cost is as per the Company business model to hold Investment in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding.

Accordingly, the company has classified Government Securities of Rs. 1,05,151.30 lacs.(P.Y 2,46,628.93 lacs) at amortized cost out of the total investment out of which the interest accrued on the same is Rs.1,932.90 lacs (P.Y. 3929.14 lacs) during the year ended March 31, 2025. 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 1169.52 lacs (P.Y 7262.76 lacs).

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 9: Other financial assets

	31st March, 2025	31st March, 2024
Interest accrued but not due on :		
- Government dated and approved securities	34,486.04	27,739.08
- Bonds and debentures	3,746.59	3,413.17
- Reverse Repo Lending	3.72	17.07
- CBLO Lending	-	-
- Call, Notice and Term money Lending	-	-
- Deposit with Clearing Corporation of India Limited (CCIL)	86.34	117.54
- Fixed deposits with Scheduled Banks	27.03	0.22
Security deposit		
- with CCIL	14,760.00	14,760.00
- for Future and Options margin money with Stockholding Corporation of India Ltd.(SHCIL)	131.46	129.40
- Interest Rate Futures Margin Money with SHCIL and NSE	386.07	294.45
- Peak Margin Money for equity segment with SHCIL	168.75	168.75
- AMC Repo Corporation Limited Deposit	1.00	-
- For working as an arranger	12.70	12.70
- For water meters and electricity meters	2.91	2.91
- For Rental/ Lease at Ahmedabad branch	0.70	0.70
- For petrol	0.14	0.14
- For PNG and IGL connection	0.90	0.70
- For others	-	-
Total -	53,814.35	46,656.81

Note 10: Current Tax Assets (net)

Particulars	31st March, 2025	31st March, 2024
Income Tax Refundable		
FY 2005-06	13.71	13.71
FY 2006-07 (FBT)	1.33	1.33
FY 2019-20	0.01	0.01
FY 2021-22	-	468.55
FY 2024-25	557.95	-
GST TDS Receivable		
FY 2023-24 (GST TDS)	-	2.63
FY 2024-25 (GST TDS)	5.33	-
Total	578.33	486.23

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 11: Tax Expenses

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2025

Particulars	31st March, 2025	31st March, 2024
Accounting profit before tax	31,095.46	9,881.33
Enacted Income Tax rate applicable	25.168%	25.168%
At India's statutory income tax rate	7,826.11	2,486.93
Interest under section 234C	-	36.90
Adjustments in respect of current income tax of prior years	26.77	3.86
Deferred tax adjustments		
Fair value of Financial Instruments	(116.75)	249.43
CSR Expenses	48.57	156.38
Others	7.70	6.76
Income tax expense reported in the statement of profit & loss	7,792.40	2,940.26
Deferred Tax (liabilities) / assets	31st March, 2025	31st March, 2024
Deferred tax liability		
Fair value of Financial Instruments	(871.71)	-
Right of Use Asset as per Ind AS 116	(57.83)	(97.52)
Gross deferred tax liability	(929.55)	(97.52)
Deferred tax asset		
Provision for Leave liability	23.98	28.15
Provision for Post Retirement Benefit plan	25.89	23.55
Provision for Lease Liability as per Ind AS 116	64.15	102.54
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	156.65	218.87
Amortised Loss on Govt Securities	777.38	1,214.62
Staff loan	2.17	2.42
Gross deferred tax asset	1,050.23	1,590.15
Net Deferred Tax (Liability)/ Asset	120.68	1,492.62

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

The following table shows the changes recorded during the year in the deferred tax expense

2024-25	Income Statement	OCI
Fair value of Financial Instruments	871.71	-
Remeasurements of defined benefit plan	(12.04)	13.87
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	62.22	-
Discounting of Staff Loans	0.25	-
Amortised Loss on Govt Securities	437.23	-
lease liab	(1.30)	-
Taxable loss	-	-
Net Deferred Tax	1,358.07	13.87

2023-24	Income Statement	OCI
Remeasurements of defined benefit plan	(14.03)	11.75
Difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(188.16)	-
Discounting of Staff Loans	(0.54)	-
Amortised Loss on Govt Securities	(522.39)	-
lease liab	(3.33)	-
Taxable loss	207.32	-
Net Deferred Tax	(521.12)	11.75

Note 12A: Investment Property

FY 2024-25

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1 April 2024	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31 March 2025	As at 1 April 2024	For the period	Adjustments/ Deductions during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
1	Buildings* (Built Up Flats)	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-

FY 2023-24

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1st April, 2023	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31st March, 2024	As at 1st April, 2023	For the period	Adjustments/ Deductions during the year	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
1	Buildings** (Built Up Flats)	18.90	-	18.90	-	12.15	-	12.15	-	-	6.75
	Total	18.90	-	18.90	-	12.15	-	12.15	-	-	6.75

* During FY 23-24, the use of the property (flat in Chennai) has changed from Investment Property to Owner Occupied Property. Hence, the property was reclassified as Property, Plant and Equipment at its carrying value on the date of reclassification.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 12B: Property, plant and equipment

FY 2024-25

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1 April 2024	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31 March 2025	As at 1 April 2024	For the period	Adjustments/ Deductions during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
1	Buildings (Built Up Flats)	589.44	-	-	589.44	411.19	7.25	-	418.43	171.01	178.25
2	Office equipments	117.87	31.87	15.87	133.88	109.95	20.03	15.85	114.13	19.74	7.92
3	Computers	470.09	19.53	28.60	461.02	427.95	51.33	28.40	450.89	10.14	42.14
4	Furnitures and fixtures	100.86	49.86	2.68	148.04	94.84	9.44	2.68	101.60	46.43	6.02
5	Vehicles	71.66	-	-	71.66	42.16	8.10	-	50.25	21.41	29.51
	Total	1,349.92	101.26	47.14	1,404.04	1,086.08	96.15	46.92	1,135.31	268.73	263.84

FY 2023-24

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1st April, 2023	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31st March, 2024	As at 1st April, 2023	For the period	Adjustments/ Deductions during the year	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
1	Buildings (Built Up Flats)	570.54	18.90 *	-	589.44	389.91	9.13	(12.15)	411.19	178.25	180.63
2	Office equipments	112.34	11.67	6.15	117.87	87.77	28.31	6.13	109.95	7.92	24.57
3	Computers	251.68	221.91	3.50	470.09	234.62	196.83	3.50	427.95	42.14	17.06
4	Furnitures and fixtures	105.07	4.56	8.77	100.86	96.44	7.17	8.77	94.84	6.02	8.63
5	Vehicles	62.04	15.59	5.97	71.66	37.19	10.48	5.52	42.16	29.51	24.85
	Total	1,101.68	272.63	24.39	1,349.92	845.93	251.92	11.77	1,086.08	263.84	255.75

* During FY 23-24, the use of the property (flat in Chennai) has changed from Investment Property to Owner Occupied Property. Hence, the property was reclassified as Property, Plant and Equipment at its carrying value on the date of reclassification.

Note 12C: Capital Work in Progress (CWIP)

FY 2024-25

(a) CWIP Ageing Schedule

	Amount in CWIP for a period of				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress (Work)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

FY 2023-24

(a) CWIP Ageing Schedule

	Amount in CWIP for a period of				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

FY 2024-25

(b) CWIP Completion Schedule

	To be completed in				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

FY 2023-24

(b) CWIP Completion Schedule

	To be completed in				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

Note 12D: Right of Use Asset

FY 2024-25

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1 April 2024	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31 March 2025	As at 1 April 2024	For the period	Adjustments/ Deductions during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
1	Right of Use Asset	673.66	26.36	-	700.03	286.17	184.06	-	470.23	229.79	387.49
	Total	673.66	26.36	-	700.03	286.17	184.06	-	470.23	229.79	387.49

FY 2023-24

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1 April 2023	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31 March 2024	As at 1 April 2023	For the period	Adjustments/ Deductions during the year	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
1	Right of Use Asset	568.45	105.21	-	673.66	133.04	153.14	-	286.17	387.49	435.42
	Total	568.45	105.21	-	673.66	133.04	153.14	-	286.17	387.49	435.42

As per Ind AS 116- Leases applicable from April 01, 2019, the amount of depreciation charged on Right of Use Asset for the financial year ending March 31, 2025 amounts to Rs.184.06 lacs (P.Y. Rs. 153.14 lacs), amount charged as interest expense on leased liability under the Finance cost amounts to Rs. 29.02 lacs (P.Y. Rs. 34.37 lacs) and the actual lease rent reversed from the administrative expenses for the year ended 24-25 amounts to Rs.207.91 lacs (P.Y. Rs. 174.29 lacs). The net charge to the Statement of Profit and Loss comes to Rs. 5.17 lacs (P.Y. Rs. 13.22 Lacs). The policy relating to Leases is explained in Note 2 (II).

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 12E: Other Intangible Assets

FY 2024-25

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1 April 2024	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31 March 2025	As at 1 April 2024	For the period	Adjustments/ Deductions during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
1	Software	1,504.68	-	3.31	1,501.38	1,439.41	61.65	3.31	1,497.75	3.63	65.28
	Total	1,504.68	-	3.31	1,501.38	1,439.41	61.65	3.31	1,497.75	3.63	65.28

Useful life of Intangibles is 6 years.

FY 2023-24

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 1 April 2023	Addition during the year	Adjustments/ Deductions during the year	Total cost as at 31 March 2024	As at 1 April 2023	For the period	Adjustments/ Deductions during the year	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
1	Software	318.86	1,185.82	-	1,504.68	307.63	1,131.78	-	1,439.41	65.28	11.23
	Total	318.86	1,185.82	-	1,504.68	307.63	1,131.78	-	1,439.41	65.28	11.23

Note 12F: Intangible Assets under development

FY 2024-25

(a) Intangible Asset under Development

	Amount in CWIP for a period of				Total
Intangible asset under Development	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

FY 2023-24

(a) Intangible Asset under Development

	Amount in CWIP for a period of				Total
Intangible asset under Development	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress (TCS Bancs)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

FY 2024-25

(b) Intangible Asset under Development Completion Schedule

	To be completed in				Total
Intangible asset under Development	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

FY 2023-24

(b) Intangible Asset under Development Completion Schedule

	To be completed in				Total
Intangible asset under Development	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

Note 12D: Right of Use Asset (contd.)

i. Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025:

Buildings

Particulars	31st March, 2025	31st March, 2024
Opening balance	387.49	435.42
Additions	26.36	105.21
Depreciation	184.06	153.14
Deletion	-	-
Balance	229.79	387.49

ii. The following is the movement in lease liabilities year ended March 31, 2025:

Particulars	31st March, 2025	31st March, 2024
Opening balance	407.43	442.14
Additions	26.36	105.21
Interest on lease liabilities	29.02	34.37
Payment of lease liabilities	207.91	174.29
Deletion	-	-
Balance	254.90	407.43

iii. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particular	31st March, 2025	31st March, 2024
Less than one year	151.50	205.67
One to five years	85.94	203.05
More than five years	55.01	66.14
Total undiscounted lease liabilities	292.45	474.86

The lessee's interest rate implicit applied to lease liabilities is Punjab National Bank's 3 year MCLR rate applicable for the month in which lease is entered.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 13: Other non financial assets

	31st March, 2025	31st March, 2024
Prepaid expenses	206.78	50.95
Unamortised Expenses towards staff loan	62.49	82.29
Advance for travel	6.30	19.73
Total	275.57	152.97

Note 14: Payables

	31st March, 2025	31st March, 2024
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	85.24	106.32
(a)	85.24	106.32
Other payables*		
Total outstanding dues of Micro Enterprises and Small Enterprises	14.31	2.32
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	319.93	367.83
(b)	334.24	370.14
Total (a) + (b)	419.49	476.47

*Other payables represents the amounts which are not due but accruals have been taken on the basis of goods and services received by the company.

Trade Payables aging schedule

2024-25	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	85.24	-	-	-	85.24
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

2023-24

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	106.32	-	-	-	106.32
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-

- (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.-NIL (P.Y.-NIL)
- (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.-NIL (P.Y.-NIL)
- (c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; -NIL (PY-NIL)
- (d) the amount of interest accrued and remaining unpaid at the end of each accounting year;-NIL (P.Y. NIL) and
- (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.-NIL (P.Y. NIL)

Note 15: Borrowings (Other than debt securities)

	31st March, 2025	31st March, 2024
At amortised cost		
Secured		
Term loans		
-From Banks		
- from RBI (LAF borrowing, Term LAF and Refinance borrowing)*3	5,13,448.00	2,56,071.00
- Loans from Related Party (Punjab National Bank)* 6	54,918.05	34,964.82
-From Other Parties		
TREPS (Tri-Party Repo System) borrowing from CCIL *4	4,36,655.95	58,563.63
- REPO borrowings*5	8,60,241.54	16,14,946.83
Unsecured		
Term loans		
-From Banks		
- Call short notice and term borrowings	3,46,615.00	2,71,355.00

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

-From Other Parties		
- Inter corporate Borrowing	26,267.00	4,000.00
Total gross (A)	22,38,145.55	22,39,901.28
Borrowings in India	22,38,145.55	22,39,901.28
Borrowings outside India	-	-
Total gross (B)	22,38,145.55	22,39,901.28
Total (B) to tally with (A)	22,38,145.55	22,39,901.28

- All the borrowings are of short term in nature and are repayable within 12 months with a fixed rate of interest. There is no default as on the balance sheet date in repayment of borrowings and interest thereon.
- During the year, Net Average and Peak borrowings in Call money amounted to Rs. 2,27,619 lacs and Rs. 3,54,665 lacs respectively (Previous year 2024 Net Average and Peak borrowings - Rs. 2,30,737.52 lacs and Rs. 3,79,810.00 lacs respectively). For the year 2025, average and peak leverage ratio stands at 14.09 and 18.05 respectively (Previous year 2024 average and peak leverage ratio stands at 15.89 and 18.69 respectively).
- Pledge of Security Face Value for FY ended 2024-2025- Rs. 5,34,426.80 lacs and Book Value Rs. 5,26,496.23 lacs - (Pledge of Security Face Value for Previous Year 2024- Rs. 2,87,200.50 lacs and Book value Rs. 2,66,397.03 lacs).
- Pledge of Security Face Value for FY ended 2024-2025- Rs. 4,56,366 lacs and Book value- Rs. 4,56,903.06 lacs (Pledge of security Face Value for Previous Year 2024- Rs. 67,921 lacs and Book value Rs. 67,070.84 lacs).
- Pledge of Security Face Value for FY ended 2024-2025- Rs. 8,47,982.00 lacs and Book value Rs. 8,44,158.21 lacs (Pledge of security Face Value for Previous Year 2024- Rs. 16,22,957.00 lacs and Book value Rs. 15,78,659.88 lacs).
- Pledge of Security Face Value for FY ended 2024-2025- Rs. 25100 lacs and Book Value- Rs. 25534.47 lacs (Pledge of security Face Value for Previous Year 2024- Rs. 19000.00 lacs and Book value Rs. 19147.49 lacs).
Pledge of Fixed Deposit of Rs. 20,000 lacs (P.Y.- NIL)
- The weighted average rate of interest for the borrowings are as follows:

- TREPS from CCIL	6.67%
- Repo	7.16%
- Call and Notice Money Borrowing	7.02%
- Term Borrowing	7.25%
- Loan from related party (PNB)	8.43%
- Refinance Borrowing	6.25%
- RBI Repo	6.53%
- Inter corporate Deposit	7.67%

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 16: Other financial liabilities

	31st March, 2025	31st March, 2024
Interest accrued but not due on Short term borrowings	2,952.31	2,044.35
Unclaimed dividend	128.30	153.35
Earnest money deposit received from vendor	1.04	1.04
Amount payable to constituents/ Advance received from constituents	6,137.41	26,894.57
Others	0.66	0.64
Total	9,219.72	29,093.95

Note 17: Current Tax Liabilities (net)

Particulars	31st March, 2025	31st March, 2024
Provision for Income Tax		
FY 2007-08	0.40	0.40
FY 2009-10	125.16	125.16
FY 2015-16	1.12	1.12
FY 2016-17	0.27	0.27
FY 2023-24	-	328.89
Total	126.94	455.84

Note 18: Provisions

	31st March, 2025	31st March, 2024
Provision for employee benefits		
Leave Liability	95.26	111.86
Post Retirement Medical Benefits	102.87	93.55
Others		
Provision for CSR expenses	-	207.80
Total	198.13	413.21

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 19: Other Non-Financial Liabilities

	31st March, 2025	31st March, 2024
TDS Payable	58.19	56.74
GST Payable	23.24	5.46
Professional Tax Payable	0.00	0.01
Total	81.44	62.21

Note 20. Equity Share Capital

Particulars	31st March, 2025		31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
50,00,00,000 Equity shares of Rs. 10/- each	50,00,00,000	50,000.00	50,00,00,000	50,000.00
Issued, subscribed and Paid Up	1,80,010,134	18,001.01	1,80,010,134	18,001.01
18,00,10,134 Equity shares of Rs.10/- each fully paid up				
Promoter:				
Punjab National Bank	13,33,33,333	13,333.33	13,33,33,333	13,333.33
13,33,33,333 Equity shares of Rs.10/- each fully paid up				
Share holding (%)	74.07%	74.07%	74.07%	74.07%
Share holding more than 5% details:				
Punjab National Bank	13,33,33,333	13,333.33	13,33,33,333	13,333.33
13,33,33,333 Equity shares of Rs.10/- each fully paid up				
Share holding (%)	74.07%	74.07%	74.07%	74.07%

Reconciliation of the number of shares (face value Rs 10 paid up)

	31st March, 2025	31st March, 2024
Opening number of shares	18,00,10,134	18,00,10,134
Add: Additions during the year	-	-
Less: Reduction during the year	-	-
Closing number of shares	18,00,10,134	18,00,10,134

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Shareholding of Promoter (Punjab National Bank)

2024-25

Shares held by Promoter (Punjab National Bank) at the end of the year				% change during the year
S. No.	Promoter Name	No. Of shares	% of Total Shares	
1	Punjab National Bank	13,33,33,333	74.07%	Nil

2023-24

Shares held by Promoter (Punjab National Bank) at the end of the year				% change during the year
S. No.	Promoter Name	No. Of shares	% of Total Shares	
1	Punjab National Bank	13,33,33,333	74.07%	Nil

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The company has only one class of shares having a par values of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Dividend distribution is for all equity shareholders who are eligible for dividend as on record date. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL (Previous Year : NIL).

For the periods of five years immediately preceding the date as at which the Balance Sheet is prepared:

a. Aggregate number and class of shares allotted as fully paid pursuant to contracts(s) without payment being received in cash : NIL (Previous year: NIL).

b. Aggregate number and class of shares allotted as fully paid -up by way of bonus shares is: The Company issued bonus shares in August, 1999 and number of equity shares issued as bonus were 2,50,00,000 and in July, 2013 and the number of equity shares issued as bonus were 4,49,92,534. Aggregate of equity shares issued as bonus shares are 6,99,92,534. During current year, equity shares issued as bonus shares NIL (Previous Year: NIL).

c. Aggregate number and class of shares bought back: NIL (Previous year : Nil)

Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from farthest such date: Nil (Previous Year : Nil)

Calls unpaid (showing aggregate value of calls unpaid by directors and officers): Nil (Previous Year : NIL)

Forfeited Shares (amount originally paid up) : NIL (Previous Year : Nil)

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Detailed disclosure on capital management is given in Note 36.

Note 21: Other equity

Reserve and surplus

(a) Statutory reserve

	31st March, 2025	31st March, 2024
Opening balance	42,666.57	41,278.36
Addition during the year	4,660.61	1,388.21
Closing balance	47,327.18	42,666.57

(b) Securities premium

	31st March, 2025	31st March, 2024
Opening balance	2,501.27	2,501.27
Addition during the year	-	-
Closing balance	2,501.27	2,501.27

(c) General reserve

	31st March, 2025	31st March, 2024
Opening balance	9,776.54	9,776.54
Addition during the year	-	-
Closing balance	9,776.54	9,776.54

(d) Capital reserve

	31st March, 2025	31st March, 2024
Opening balance	6,320.04	6,320.04
Addition during the year	-	-
Closing balance	6,320.04	6,320.04

(e) Market fluctuation reserve

	31st March, 2025	31st March, 2024
Opening balance	6,300.00	6,300.00
Addition during the year	-	-
Closing balance	6,300.00	6,300.00

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

(f) Retained earning

	31st March, 2025	31st March, 2024
Opening balance	47,410.22	41,822.45
Addition during the year	23,344.31	6,975.99
Transferred to other reserves	(4,660.61)	(1,388.21)
Other adjustments	-	-
Dividends	(1,800.10)	-
Closing balance	64,293.82	47,410.22
	1,36,518.85	1,14,974.65

- A sum of Rs.4660.61 lacs (P.Y. 2024 Rs.1388.21 lacs) (20 per cent of Profit After Tax) has been transferred to Statutory Reserve Fund as per RBI Guidelines. The same is not free for distribution of dividend.
- Market Fluctuation Reserve - For the financial year 2024-25, Board of Directors had decided not to appropriate any amount to this reserve and the balance outstanding as on 31st March, 2025 in this reserve is Rs.6300 lacs (P.Y. 2024 Rs.6300 lacs). The same is not free for distribution of dividend.
- The Board of Directors have recommended a final dividend of Re.1 per equity share(P.Y. Re. 1/sh) amounting to Rs.1800.10 lacs for FY 24-25 (P.Y. 1800.00 lacs) after the balance sheet date. The same is subject to approval by the shareholders at the ensuing Annual General Meeting of the company and therefore proposed final dividend of Rs. 1800.10 lacs (P.Y. Rs. 1800.00 lacs) has not been recognised as a liability as at the balance sheet date.
- The company has made a policy choice to recognise the effect of Taxation Laws Amendment Ordinance 2019 ('the Ordinance') for the financial year ended 31st March, 2025. Accordingly, the effective tax rate for the FY ended 24-25 is 25.168%.

Nature and purpose of reserves:

- Statutory reserve** - Statutory reserve is created pursuant to section 45-IC of Reserve Bank of India Act. 1934. Company shall transfer therein a sum not less than 20% of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by RBI.
- Securities premium** - Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- General reserve** - General reserves are the free reserves of the Company which are kept aside out of company's profits to meet future obligations. General reserves is a free reserve which can be utilised for any purpose after fulfilling certain conditions. No amount has been transferred to general reserve during the year ended 31st March, 2025 and 31st March, 2024.
- Capital reserve** - Capital reserve represents the amount of net profit (after tax) through sale of securities from HTM category of investments maintained as per earlier RBI guidelines. The same will be utilized as per the regulatory guidelines and is not free for distribution of dividend.
- Market fluctuation reserve** - The Board of Directors, in its meeting held on January 9, 2003, had decided to build up Market Fluctuation Reserve over a period of time with the cap equal to paid up capital of the company. At the time of adoption of annual accounts each year, the Board may decide the quantum of amount to be transferred to this Reserve, if necessary. The same is not free for distribution of dividend.
- Retained Earnings** - These represent the surplus in the statement of profit and loss and is free for distribution of dividend.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 22: Interest income

	31st March, 2025	31st March, 2024
<u>On financial assets measured at amortised cost</u>		
(a) Interest on loans		
-Short term lending	3,599.02	6,902.38
(b) Interest on deposits with banks	30.63	2,059.54
(c) Interest income from Investments		
-Government securities	13,331.93	17,655.78
(d) Other interest income		
-Deposit with CCIL	456.17	503.82
(I)	17,417.76	27,121.52
<u>On financial assets classified at fair value through profit and loss</u>		
(a) Interest income from Investments		
-Government securities and swaps	1,14,307.60	1,00,235.34
-Corporate bonds and debentures	13,612.37	9,270.55
-Commercial papers	-	666.55
-Certificate of deposits	1,685.62	1,788.93
-Zero Coupon Bonds	217.04	-
-Treasury bills/cash management bills	3,938.86	12,686.24
(b) Other interest income		
-Interest on non competitive sales	10.82	35.16
(II)	1,33,772.32	1,24,682.77
Total Interest Income (I+II)	1,51,190.07	1,51,804.29

Note 23: Rental income

	31st March, 2025	31st March, 2024
Rent received*	-	0.20
Total	-	0.20

* During FY 23-24, the flat located in Chennai was vacated and the rental income pertains to part of the year till it was classified as Investment Property.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 24: Net gain/ (loss) on securities (Realised and Unrealised)

	31st March, 2025	31st March, 2024
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investment	15,914.74	5,734.88
- Derivatives	(438.77)	(709.36)
Total net gain/(loss) (Realised and Unrealised)	15,475.97	5,025.52
A. Trading Profit/(loss) (Realised)		
(a) Government securities		
Sales	3,60,09,614.67	4,51,04,137.97
Add: Closing stock	18,83,707.79	16,43,025.24
Less: Purchases	3,62,44,294.28	4,56,19,041.13
Less: Opening stock	16,43,025.24	11,34,556.20
Total	6,002.94	(6,434.12)
(b) T-Bills and CMBs		
Sales	56,29,946.17	68,84,300.78
Add: Closing stock	60,790.67	1,82,008.73
Less: Purchases	55,08,485.65	68,46,698.13
Less: Opening stock	1,82,008.73	2,18,950.26
Total	242.46	661.12
(c) Commercial Papers (CPs)		
Sales	-	9,992.43
Add: Closing stock	-	-
Less: Purchases	-	9,992.01
Less: Opening stock	-	-
Total	-	0.42
(d) Certificate of Deposits (CDs)		
Sales	1,54,272.25	24,602.55
Add: Closing stock	65,555.48	68,197.09
Less: Purchases	151,548.13	92,767.92
Less: Opening stock	68,197.09	-
Total	82.50	31.72

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

(e) Bonds and Debentures		
Sales	35,70,863.72	36,45,886.49
Add: Closing stock	1,96,675.33	1,64,662.46
Less: Purchases	36,02,140.09	36,49,408.15
Less: Opening stock	1,64,662.46	1,61,094.43
Total	736.50	46.36
(f) Equity Shares		
Sales	9,345.09	10,515.87
Add: Closing stock	299.65	241.02
Less: Purchases	8,877.17	10,140.82
Less: Opening stock	241.02	-
Total	526.54	616.08
(g) Derivatives		
Interest Rate Swaps	(150.44)	296.16
Interest Rate Futures	99.74	16.07
Futures and Options	4.80	(30.54)
Total	(45.90)	281.70
Total Trading profit/(loss) (Realised) (a+b+c+d+e+f+g) (A)	7,545.04	(4,796.72)
B. Fair value changes: Unrealised		
(a) Government Securities		
Add: Closing Stock	3,834.89	(4,116.03)
Less: Opening Stock	(4,116.03)	(13,235.10)
Total	7,950.92	9,119.07
(b) T-Bills and CMBs		
Add: Closing Stock	58.48	110.75
Less: Opening Stock	110.75	(157.52)
Total	(52.27)	268.27
(c) Certificate of Deposits (CDs)		
Add: Closing Stock	153.70	58.35
Less: Opening Stock	58.35	-
Total	95.35	58.35
(d) Bonds and Debentures		
Add: Closing Stock	270.59	(53.36)
Less: Opening Stock	(53.36)	(1,424.16)
Total	323.95	1,370.80

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

(e) Equity Shares		
Add: Closing Stock	2.66	(3.19)
Less: Opening Stock	(3.19)	-
Total	5.85	(3.19)
(f) Derivatives	(392.87)	(991.06)
Total fair value changes (Unrealised) (a+b+c+d+e+f) (B)	7,930.93	9,822.24
Total Net gain/ (loss) on securities (Realised and Unrealised) (A+B)	15,475.97	5,025.52

Note 25: Fees and commission income

	31st March, 2025	31st March, 2024
Underwriting fees	111.04	199.35
Commission and other fees	808.72	600.42
Total	919.76	799.77

Note 26: Other income

	31st March, 2025	31st March, 2024
Profit on sale of property, plant and equipment	0.96	3.61
House Rent Recovery from staff	2.07	1.97
Interest on Income Tax Refund	-	6.24
Interest on Consumer Loan	0.28	0.41
Interest on Housing Loan	13.84	10.16
Interest on Vehicle Loan	3.62	2.08
Staff Loan income on concessional loans as per EIR	8.29	7.24
Other miscellaneous income	0.46	0.00
Total	29.52	31.71

Note 27: Finance Cost

	31st March, 2025	31st March, 2024
On financial liabilities measured at amortised cost		
Interest on borrowings		
Call and short notice borrowing	21,631.53	20,858.15
TREPS borrowing	10,899.60	7,894.32
Repo borrowing	83,528.38	104,593.59
RBI borrowing	13,464.02	5,302.88
Overdraft borrowing	250.78	198.14
Interest expense on lease liability	29.02	34.37
ICD borrowing	1,437.61	2,250.96
Total	131,240.93	141,132.41

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 28: Fee and commission expense

	31st March, 2025	31st March, 2024
Brokerage on securities and financial instruments	26.19	25.69
Financial information services	228.83	161.98
Operating expenses for futures and options	1.87	1.05
Operating expenses for equity	35.06	39.74
Operating expenses for IRF	23.64	27.45
Stamp Duty charges on NSLR stock and OIS	5.82	8.02
Transaction charges etc	1,460.71	1,754.71
Bank charges and Processing fee	271.91	251.71
Total	2,054.04	2,270.35

Note 29: Employee benefit expenses

	31st March, 2025	31st March, 2024
Salaries and allowances	1,222.21	1,231.10
Stipend expenses	19.48	60.68
Contribution to PF and gratuity fund	100.66	107.48
Staff welfare and other establishment expenses	221.03	230.52
Staff recruitment and training	46.85	27.98
Total	1,610.24	1,657.76

Note 30: Other expenses

	31st March, 2025	31st March, 2024
Rent on business premises *	231.02	213.14
Less: Rent reversal as per Ind AS 116	(207.91)	(174.29)
Postage, telegram, couriers and telephone	25.34	14.83
Travelling and conveyance and motor car expense	48.57	44.56
Printing and stationery	9.05	8.25
Repairs to building	64.32	71.59
Repairs and maintenance - Others	403.55	313.35
Internal audit fees and expense	29.10	39.53
Legal and professional expense	108.69	111.71
Listing fees	7.85	7.85
Books and periodicals	0.55	0.52
Workshops and business meets	45.91	18.50
Water and electricity expenses	36.97	42.26
Insurance charges	3.61	3.25
Director's sitting fees (incl. GST)	78.11	40.59
Auditors remuneration (refer note a)	42.48	42.48
Adhoc staff expenses	111.54	99.60

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Share transfer fees	3.63	10.62
Corporate membership	6.50	8.72
Advertisement and publicity	5.11	4.37
Board / statutory meeting expenses	3.64	9.35
Miscellaneous expenses	6.93	4.01
Royalty Expense	245.71	-
Bank Charges (other than demat charges)	2.02	0.05
CSR expenses (refer Note 48)**	192.99	621.33
Total	1,505.31	1,556.16

*The company has effective lease agreements for Delhi Head Office, Mumbai, Chennai, Ahmedabad, Kolkata and Bengaluru branches. Additionally, the company has appropriately accounted for rental expenses related to premises for which lease agreements were finalized during the year, aligning with the Ind AS 116.

**Figure for the year ended March 31, 2025 includes Rs. NIL lacs(P.Y. Rs. 198.98 lacs) which the company intends to spend in the future for ongoing projects

(a) Payment to Auditors

As auditor:

- Audit fee

- Tax audit fee

For other services

- Certification fees

Total Auditor fee

Add: GST@18%

Total cost to the company

	31st March, 2025	31st March, 2024
- Audit fee	28.03	28.03
- Tax audit fee	3.15	3.15
For other services		
- Certification fees	4.82	4.82
Total Auditor fee	36.00	36.00
Add: GST@18%	6.48	6.48
Total cost to the company	42.48	42.48

Note 31: Exceptional Items

Exceptional Items comprise the following:

i) Amount received on account of DHFL (#1)

ii) Amount received from SREI Equipments Finance Limited (#2)

iii) Amount received on account of Madhavpura Mercantile Coop Bank Ltd.(#3)

	31st March, 2025	31st March, 2024
i) Amount received on account of DHFL (#1)	(41.66)	-
ii) Amount received from SREI Equipments Finance Limited (#2)	(78.28)	(267.60)
iii) Amount received on account of Madhavpura Mercantile Coop Bank Ltd.(#3)	(100.00)	(100.00)
Total	(219.95)	(367.60)

#1

An amount of Rs. 41.66 lacs (P.Y. Nil) was received in the current FY against the security 9.05% Dewan Housing Finance Limited 09/09/2019. This security amounting to Rs.5423.14 lacs(principal and interest accrued) was written off from the books of accounts in FY 19-20. Till date an amount of Rs. 1141.44 lacs received as cash and debentures of Rs. 1321.29 lacs

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

#2

An amount of Rs. 2667.17 lacs on account of investment and interest accrued was written off from the books of accounts in respect of 9.60% SREI Equipment Finance Limited DB 25-05-2028 in FY 21-22. However, in the current FY 24-25 an amount of Rs. 69.19 lacs (P.Y. Rs. 267.60 lacs) has been received. Also, an amount of Rs. 9.09 lacs received on 17.04.2025 has been accounted in the current financial year aligning with Ind AS 10- Events after the Balance Sheet Date. Till date a total of Rs. 345.88 lacs has been received.

#3

An amount of Rs. 100.00 lacs was received during the current FY (P.Y. Rs. 100 lacs) from Madhavpura Mercantile Cooperative Bank Limited (MMCBL) under liquidation proceedings to whom Rs. 1000.00 lacs was lent in call money in the year 2001. An amount of Rs. 761.88 lacs was to be received from MMCBL and the same was written off from the books in the year 2016. Till date the total amount received from MMCBL is Rs. 412.00 lacs

Note 32: Earnings Per Equity Share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company after adjusting for the effect of dilution, by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into equity shares.

	2024-25	2023-24
Net profit from continued operation attributable to equity holders	23,303.06	6,941.07
Net profit from continuing operation attributable to equity holders adjusted for the effect of dilution	23,303.06	6,941.07
Weighted average number of equity shares for basic earnings per share	1,80,010,134	1,80,010,134
Weighted average number of equity shares adjusted for the effect of dilution	1,80,010,134	1,80,010,134
Earnings per equity share (EPS)		
Basic earnings per share	12.95	3.86
Diluted earnings per share	12.95	3.86

Note 33: Post Employment benefit plan

(I) Defined Contribution Plan

The Company makes contributions towards provident fund, in respect of qualifying employees

Particulars	31st March, 2025	31st March, 2024
Employer's contribution to Provident Fund	74.42	76.52

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

(II) Defined benefit plan

(A) Provision for Leave Liability

The benefit on account of leave liability are provided based on actuarial valuation for the company as a whole.

Key assumptions	31st March, 2025	31st March, 2024
Mortality Table	I.A.L-2012-14 ultimate	I.A.L-2012-14 ultimate
Attrition Rate	9.00%p.a.	4.00%p.a.
Imputed Rate of Interest (Discounting)	6.93% p.a.	7.23% p.a.
Imputed Rate of Interest (Interest Cost)	7.23% p.a.	7.36% p.a.
Salary Rise	10.00% p.a.	10.00% p.a.
Return on Plan Assets	N.A.	N.A.
Remaining working life	20.22 years	19.10 years

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation as at 31st March, 2025

Particulars	01-Apr-24	Service cost (a)	Net interest expense (b)	Sub-total included in profit or loss (a+b)	Benefits paid	Remeasurement (gains)/losses in other comprehensive income	31-Mar-25
	(i)			(ii)	(iii)	(iv)	(v) = (i+ii+iii+iv)
Defined benefit obligation	111.86	145.45	3.82	149.27	(118.13)	(47.73)	95.27

Changes in the defined benefit obligation as at 31st March, 2024

Particulars	01-Apr-23	Service cost (a)	Net interest expense (b)	Sub-total included in profit or loss (a+b)	Benefits paid	Remeasurement (gains)/losses in other comprehensive income	31-Mar-24
	(i)			(ii)	(iii)	(iv)	(v) = (i+ii+iii+iv)
Defined benefit obligation	109.22	168.98	3.48	172.46	(123.84)	(45.98)	111.86

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

(B) Provision for Gratuity

The disclosure on account of gratuity are provided based on actuarial valuation for the company as a whole.

Key assumptions	31st March, 2025	31st March, 2024
Mortality Table	I.A.L-2012-14 ultimate	I.A.L-2012-14 ultimate
Attrition Rate	9% p.a.	4% p.a.
Imputed Rate of Interest (Discounting)	6.93% p.a.	7.23% p.a.
Imputed Rate of Interest (Interest Cost)	7.23% p.a.	7.36% p.a.
Salary Rise	10.00% p.a.	10.00% p.a.
Return on Plan Assets	7.23% p.a.	7.23% p.a.
Remaining working life	20.22 years	19.47 years

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2025

Particulars	01-Apr-24	Service cost (a)	Net interest expense (b)	Sub-total included in profit or loss (a+b)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement (gains)/ losses in other comprehensive income	Contributions by employer	31-Mar-25
	(i)			(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (i) to (vi)
Defined benefit obligation	303.92	27.35	21.10	48.45	(24.53)	-	(9.74)	-	318.10
Fair value of plan assets	356.09	-	-	-	(24.53)	25.41	0.83	15.38	373.18

Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2024

Particulars	01-Apr-23	Service cost (a)	Net interest expense (b)	Sub-total included in profit or loss (a+b)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement (gains)/ losses in other comprehensive income	Contributions by employer	31-Mar-24
	(i)			(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (i) to (vi)
Defined benefit obligation	281.85	31.77	19.85	51.62	(24.37)	-	(5.18)	-	303.92
Fair value of plan assets	330.11	-	-	-	(24.37)	24.49	(3.75)	29.61	356.09

(C) Post Retirement medical Insurance for in service employees and super annuated employees

The disclosure on account of Post retirement medical insurance for in service employees and super annuated employees is given below:

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Key assumptions	31st March, 2025	31st March, 2024
Mortality Table	I.A.L-2012-14 ultimate	I.A.L-2012-14 ultimate
Attrition Rate	9% p.a.	4% p.a.
Imputed Rate of Interest (Discounting)	7.07% p.a.	7.26% p.a.
Imputed Rate of Interest (IC)	7.26% p.a.	7.41% p.a.
Premium Inflation	4.00%p.a.	4.00%p.a.
Return on Plan Assets	N.A.	N.A.

Changes in the present value of defined Benefit obligation as at 31st March, 2025

Particulars	01-Apr-24	Service cost (a)	Net interest expense (b)	Sub-total included in profit or loss (a+b)	Benefits paid	Remeasurement (gains)/losses in other comprehensive income	31-Mar-25
	(i)			(ii)	(iii)	(iv)	(v) = (i+ii+iii+iv)
Defined benefit obligation	93.56	2.29	6.69	8.98	(2.84)	3.17	102.87

Changes in the present value of defined Benefit obligation as at 31st March, 2024

Particulars	01-Apr-23	Service cost (a)	Net interest expense (b)	Sub-total included in profit or loss (a+b)	Benefits paid	Remeasurement (gains)/losses in other comprehensive income	31-Mar-24
	(i)			(ii)	(iii)	(iv)	(v) = (i+ii+iii+iv)
Defined benefit obligation	87.13	1.43	6.38	7.81	(2.11)	0.73	93.56

(D) Expected payment for future years

(i) Provision for Gratuity

Based on past service	31st March, 2025	31st March, 2024
Within the next 12 months (next annual reporting period)	22.73	14.31
Between 2 and 5 years	137.11	55.88
Between 5 and 10 years	179.13	205.14
Beyond 10 years	221.42	414.31
Total expected payments	560.39	689.64

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Based on terminal service	31st March, 2025	31st March, 2024
Within the next 12 months (next annual reporting period)	23.64	14.72
Between 2 and 5 years	177.75	75.75
Between 5 and 10 years	278.41	302.89
Beyond 10 years	736.71	1,885.04
Total expected payments	1,216.51	2,278.40
(ii) Provision for Leave Liability		
Based on terminal service	31st March, 2025	31st March, 2024
Within the next 12 months (next annual reporting period)	31.53	33.47
Between 2 and 5 years	37.67	36.56
Between 5 and 10 years	19.22	26.21
Beyond 10 years	33.88	53.50
Total expected payments	122.30	149.74
(iii) Post Retirement Medical Insurance		
Expected payouts	31st March, 2025	31st March, 2024
Within the next 12 months (next annual reporting period)	2.95	2.19
Between 2 and 5 years	12.28	9.16
Between 5 and 10 years	30.71	20.71
Beyond 10 years	399.19	548.10
Total expected payments	445.13	580.16

(E) Sensitivity analysis

(i) Provision for Gratuity

Assumptions	31st March, 2025		31st March, 2024		31st March, 2025		31st March, 2024		31st March, 2025		31st March, 2024	
	Discount rate				Future salary increases				Attrition Rate			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(10.52)	11.15	(13.38)	14.40	10.78	(10.29)	13.96	(13.11)	(1.84)	1.95	(2.77)	2.98

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

(ii) Provision for Leave Liability

Assumptions	31st March, 2025		31st March, 2024		31st March, 2025		31st March, 2024		31st March, 2025		31st March, 2024	
	Discount rate				Future salary increases				Attrition Rate			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.68)	0.72	(0.87)	0.95	0.70	(0.66)	0.92	(0.85)	(1.28)	1.35	(2.20)	2.34

(iii) Post retirement Medical Insurance

Assumptions	31st March, 2025		31st March, 2024		31st March, 2025		31st March, 2024		31st March, 2025		31st March, 2024	
	Discount rate				Premium Inflation				Attrition Rate			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(7.55)	8.47	(8.18)	9.35	1.66	(1.55)	1.28	(1.20)	(2.04)	2.20	(3.39)	3.74

Note 34

1. FVTPL financial assets

Ind AS requires FVTPL investments to be measured at fair value and account for both depreciation and appreciation in fair value.

2. Derivative adjustment

Under Ind AS all the Derivatives contracts (Hedging as well as Trading purpose) are measured at Fair value and both depreciation as well as appreciation will be accounted for.

Also, Credit Value Adjustment has been recorded under Ind AS for outstanding derivative liabilities under Ind AS.

3 Fair value of Staff loans

Under Ind AS loans are fair valued and the difference between Fair value and nominal value is recognized as employee cost. This benefit is passed over the tenure of the loan and not on origination, so employee cost would be deferred over the tenure of the loan/ remaining service period whichever is shorter. Also interest income is redetermined by the market rate and the differential amount is charged under Interest income.

4 Defined benefit liabilities

Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

5. Amortised Cost Financial Assets

Under this category, Ind AS requires it to be measured as per Effective Interest Rate Method and no mark to market needs to be done.

6. Company's consultants:

Tax Consultant- KYSB and Associates

Actuary-Sodhi Tripathi Actuaries and Consultants LLP

GST Consultant- A.K. Batra and Associates

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 35A: Related party disclosures

1.1 Details of Related Party

Particulars	Relationship
List of Related Parties	
Punjab National Bank	Parent
Punjab National Bank (International) Ltd.	Subsidiary of Parent
PNB Investment Services Ltd.	Subsidiary of Parent
PNB Cards & Services Limited	Subsidiary of Parent
Druk PNB Bank Ltd.	Subsidiary of Parent
PNB Insurance Broking Pvt. Limited	Subsidiary of Parent
Dakshin Bihar Gramin Bank	Associates of Parent
Sarva Haryana Gramin Bank	Associates of Parent
Himachal Pradesh Gramin Bank	Associates of Parent
Punjab Gramin Bank	Associates of Parent
Prathama UP Gramin Bank	Associates of Parent
PNB Housing Finance Ltd.	Associates of Parent
PNB Metlife India Insurance Co. Ltd.	Associates of Parent
JSC Tengri Bank, Kazakhstan	Associates of Parent
Everest Bank Ltd.	Associates of Parent
Canara HSBC OBC Life Insurance Co. Ltd.	Associates of Parent
India SME Asset Reconstruction Company Limited	Associates of Parent
Assam Gramin Vikash Bank	Associates of Parent
Bangiya Gramin Vikash Bank	Associates of Parent
Tripura Gramin Bank	Associates of Parent
Manipur Rural Bank	Associates of Parent
Pehel Foundation	Subsidiary of PNB Housing Finance Ltd.
PHFL Home Loans & Services Ltd.	Subsidiary of PNB Housing Finance Ltd.
PNB Employees Pension Fund	Post Employment benefit plan of Parent
PNB Employees PF Trust	Post Employment benefit plan of Parent
PNB Employees Gratuity Fund	Post Employment benefit plan of Parent
PNB Gilts Limited Employees Group Gratuity Scheme	Post Employment benefit plan of the Reporting Entity
Assam Gramin Vikash Bank Employees Pension Fund	Post Employment benefit plan of Related Party
Bangiya Gramin Vikash Bank (Employees) Provident Fund Trust	Post Employment benefit plan of Related Party
Dakshin Bihar Gramin Bank Provident Fund Trust	Post Employment benefit plan of Related Party
Sarva Haryana Gramin Bank Employess Provident Fund	Post Employment benefit plan of Related Party

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Prathama UP Gramin Bank (Employees) Provident Fund	Post Employment benefit plan of Related Party
Punjab Gramin Bank Employees Provident Fund	Post Employment benefit plan of Related Party
Mr. Kalyan Kumar (Non-Executive & Non-Independent Director)	Key Managerial Personnel
Mr. Prem Prakash Pareek (Ceased)	Key Managerial Personnel
Mrs. Neharika Vohra (Non-Executive & Independent Director)	Key Managerial Personnel
Dr. Tejendra Mohan Bhasin (Non-Executive & Independent Director)	Key Managerial Personnel
Mr. Gopal Singh Gusain (Non-Executive & Independent Director)	Key Managerial Personnel
Mr. Amit Kumar Srivastava (Non-Executive & Non-Independent Director)	Key Managerial Personnel
Mr. Chandra Prakash (Chief Financial Officer)	Key Managerial Personnel
Mrs. Monika Kochar (Company Secretary)	Key Managerial Personnel
Mr. Vikas Goel (Ceased)	Key Managerial Personnel

1.2 Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

	2025	2024
	INR Lacs	INR Lacs
Short-term employee benefits		
- Mr. Vikas Goel-MD and CEO	118.25	109.45
- Mrs. Monika Kochar (Company Secretary)	38.14	35.05
- Mr. Chandra Prakash (CFO)	26.11	23.66
- Sitting Fee to Non-Executive Directors	67.20	34.40
Post-retirement medical and other benefits	-	-
Termination benefits		
- Mr. Vikas Goel-MD and CEO	5.15	7.06
- Mrs. Monika Kochar (Company Secretary)	2.18	1.98
- Mr. Chandra Prakash (CFO)	2.46	2.24
Other Long term benefits	-	-
Share Based Payments	-	-
TOTAL	259.49	213.84

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Apart from above, benefit on account of leave encashment and gratuity which are provided based on actuarial valuation for the company as a whole, is also available.

1.3 Transactions with other related parties

All the transactions with related parties are at arm's length prices except leasing of property (renting of business and residential premises of the company) etc. The required disclosure of the same is being given in form AOC-2 forming part of Board's Report.

	2024-25	2023-24
	(Book Value)	(Book Value)
1 Security Purchase		
Assam Gramin Vikash Bank	15,324.01	14,894.49
Bangiya Gramin Vikash Bank	53,254.68	13,717.71
Dakshin Bihar Gramin Bank	16,540.24	22,888.72
Himachal Pradesh Gramin Bank	13,584.36	6,423.89
Prathama UP Gramin Bank	17,193.53	7,201.60
Punjab Gramin Bank	45,210.59	9,085.46
Punjab National Bank	46,811.09	13,464.14
PNB Housing Finance Ltd.	9,982.01	-
Sarva Haryana Gramin Bank	24,366.44	-
Tripura Gramin Bank	-	1,520.55
2 Security Cover Purchase Against Short Sale		
Assam Gramin Vikash Bank	-	6,912.70
Bangiya Gramin Vikash Bank	4,089.20	4,542.20
Dakshin Bihar Gramin Bank	75,795.50	65,253.01
Himachal Pradesh Gramin Bank	-	2,998.00
Punjab Gramin Bank	2,535.62	-
Sarva Haryana Gramin Bank	1,007.30	2,005.40
3 Security Sale		
Assam Gramin Vikash Bank	2,000.80	-
Bangiya Gramin Vikash Bank	9,010.33	38,808.09
Dakshin Bihar Gramin Bank	1,25,448.36	20,658.69
Himachal Pradesh Gramin Bank	-	5,047.66
PNB Employees Gratuity Fund	6,075.62	2,017.98
PNB Employees Pension Fund	68,863.42	66,004.94
PNB Employees PF Trust	9,092.55	2,003.50
PNB Metlife India Insurance Co. Ltd.	25,762.85	14,444.28
Punjab Gramin Bank Employees Provident Fund	41.14	-
Prathama UP Gramin Bank (Employees) Provident Fund		
Punjab Gramin Bank	11,166.37	43,689.08
Punjab National Bank	3,08,750.90	84,464.57

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Sarva Haryana Gramin Bank	9,217.20	20,119.75
Sarva Haryana Gramin Bank Employess Provident Fund	-	171.60
Tripura Gramin Bank	1,043.80	3,501.20
4 Reverse Repo Lending		
Punjab National Bank	-	10,400.97
5 Interest income on repo lending		
Punjab National Bank	-	3.42
6 Borrowing of Call, Notice and Term Money		
Bangiya Gramin Vikash Bank	5,65,600.00	491,000.00
7 Interest paid on Borrowing of Call, Notice and Term Money		
Bangiya Gramin Vikash Bank	531.93	222.61
8 Fee Income		
Assam Gramin Vikash Bank	1.10	0.71
Assam Gramin Vikash Bank Employees Pension Fund	0.05	0.05
Bangiya Gramin Vikash Bank	2.03	1.70
Dakshin Bihar Gramin Bank	2.31	1.84
Dakshin Bihar Gramin Bank Provident Fund Trust	0.09	0.09
Himachal Pradesh Gramin Bank	3.00	3.43
Manipur Rural Bank	0.06	0.05
PNB Employees Gratuity Fund	0.23	0.23
PNB Employees Pension Fund	1.11	1.29
PNB Employees PF Trust	1.01	1.03
PNB Housing Finance Ltd.	0.40	0.56
Prathama UP Gramin Bank	2.55	2.38
Prathama UP Gramin Bank Employees Provident Fund	0.04	0.02
Punjab Gramin Bank	3.72	4.87
Punjab Gramin Bank Employees Provident Fund	0.02	-
Sarva Haryana Gramin Bank	2.99	2.32
Sarva Haryana Gramin Bank Employess Provident Fund	0.12	0.11
Tripura Gramin Bank	2.67	1.54
9 Rent expense for office premises		
Punjab National Bank	226.52	208.88
10 Bank Charges expenses		
Punjab National Bank	28.09	15.38

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

11	Bank Charges payable Punjab National Bank	3.08	-
12	Rent income Punjab National Bank	-	0.20
13	Term Insurance premium PNB Metlife Insurance Company Limited	6.67	8.81
14	Line of Credit (OD/WCDL) & Intra Day facility Availed	2,11,603.65	2,02,265.84
15	Outstanding Line of Credit (OD/WCDL) & Intra Day facility	54,918.05	34,964.83
16	Overdraft facility repaid	1,91,650.43	2,16,088.36
17	Interest expense on Line of Credit (OD/WCDL) & Intra Day facility Punjab National Bank	250.78	198.14
18	Interest payable on Line of Credit (OD/WCDL) & Intra Day facility Availed Punjab National Bank	12.69	8.00
19	Processing Fees on LOC Punjab National Bank	245.31	236.00
20	Royalty Fee Punjab National Bank	245.71	-
21	Bank Balance with PNB including Dividend and CSR Accounts	190.93	2,661.31
22	Fixed deposits Punjab National Bank	20,000.00	-
23	Interest Income on Fixed Deposits Punjab National Bank	29.73	2,058.68
24	Interest Accrued on Fixed Deposits Punjab National Bank	26.76	-
25	TDS Receivable on Fixed Deposits Punjab National Bank	2.97	205.87

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

26 Income from Arranger Services		
Punjab National Bank	-	10.00
27 Arranger Services Receivable (Incl. GST and Net of TDS)	-	-
28 Power, Fuel and Water charges	29.01	26.54
Punjab National Bank		
29 Power, Fuel and Water charges payable		
Punjab National Bank	0.84	0.09
30 Dividend Paid/Payable		
Punjab National Bank	1,333.33	-

Note 35B: Related Party

Items	Related Party											
	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		Key Management Personnel		Others		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Borrowings (Outstanding/ Maximum)	54,918.05/ 59,000.00	34,964.83/ 62,950.00	-	-	-	-	-	-	0/ 78,000.00	0/ 80,500.00	54,918.05/ 1,37,000.00	34,964.83/ 1,43,450.00
Deposits (Outstanding/ Maximum)	-	-	-	-	-	-	-	-	-	-	-	-
Placement of Deposits (Outstanding/ Maximum)	-	-	-	-	-	-	-	-	-	-	-	-
Advances (Outstanding/ Maximum)	0/0	0/ 10,400.97	-	-	-	-	-	-	-	-	-	0/10,400.97
Investments (Outstanding/ Maximum) (FD)	20,000.00/ 20,000.00	0/ 30,100.00	-	-	-	-	-	-	-	-	20,000.00/ 20,000.00	0/30,100.00
Purchase of Fixed/ Other Assets (Security)	46,811.09	13,464.14	-	-	-	-	-	-	2,78,883.48	1,57,443.73	3,25,694.57	1,70,907.87
Sale of Fixed/Other Assets (Security)	3,08,750.90	84,464.57	-	-	-	-	-	-	2,67,722.44	2,16,466.77	5,76,473.34	3,00,931.34
Interest Paid (expensed)	250.78	198.14	-	-	-	-	-	-	531.94	222.61	782.72	420.75
Interest Received (income)	29.73	2062.10	-	-	-	-	-	-	-	-	29.73	2,062.10
Royalty Paid	245.71	-	-	-	-	-	-	-	-	-	245.71	-
Dividend Paid	1,333.33	-					-	-	-	-	1,333.33	-
Others - Expense	528.93	486.80					192.29	179.44	6.67	8.81	727.89	675.05
Others - Income	-	10.20					-	-	23.49	22.19	23.49	32.39

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 36: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, Company being a Non Banking Finance Company has to maintain 15% of capital adequacy ratio.

The actual Capital Adequacy Ratio is as under:

	31st March, 2025	31st March, 2024
Capital Adequacy Ratio	42.68%	34.01%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2025 and 31st March, 2024. For the purpose of calculation of capital adequacy ratio, Company has excluded Amortised Cost Portfolio as this portfolio is non marked to market portfolio.

Note 37: Change in liabilities arising from financing activities

Particulars	01-Apr-24	Cash Flows	Changes in fair values	Exchange difference	Other	31-Mar-25
Changes in Borrowings and debt securities	22,39,901.28	(1,755.74)	-	-	-	22,38,145.55
Lease Accounting Adjustment	407.43	(207.91)	-	-	55.38	254.90
Dividend Paid	-	(1,800.10)	-	-	-	(1,800.10)
Changes in unclaimed dividend	153.35	(25.04)	-	-	-	128.30

Particulars	01-Apr-23	Cash Flows	Changes in fair values	Exchange difference	Other	31-Mar-24
Changes in Borrowings and debt securities	19,23,836.47	3,16,064.82	-	-	-	22,39,901.28
Lease Accounting Adjustment	442.14	(174.29)	-	-	139.58	407.43
Dividend Paid	-	-	-	-	-	-
Changes in unclaimed dividend	167.13	(13.78)	-	-	-	153.35

Note 38: Contingent Liabilities and Capital Commitments (to the extent not provided for)

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debts

Under the Income Tax Act, the following amounts are under dispute, the details of which are as under:

Assessment year	31st March, 2025	31st March, 2024	Forum where pending
2020-21 under section 143 (1) of the Income Tax Act, 1961	328.17	328.17	AO (Rectification applied)
2012-13 under section 143 (3) of the Income Tax Act, 1961	357.00	357.00	ITAT
2013-14 under section 143 (3) of the Income Tax Act, 1961	424.00	424.00	ITAT
TOTAL	1,109.17	1,109.17	

The above contingent liabilities will be increased by the interest payable for delay in payment and penalties, if any. The amount is not quantified.

The company has assessed the uncertain tax positions and concluded that there is no any such position which requires disclosure as a contingent liability.

Note 39: Segment Information

The company has been granted the License of NBFC by the Reserve Bank of India and working as a Standalone Primary Dealer. The Company's primary activities entail supporting government borrowing program via underwriting of government securities issuances and trade in a gamut of fixed income instruments such as Government securities, Treasury Bills, State Development Loans, Corporate Bonds, Interest Rate Swaps and various money market instruments such as Certificates of Deposits, Commercial Papers etc. This is the only activity performed and is thus also the main source of risks and returns. The Company's segments as reviewed by the Chief Operating Decision Maker (CODM)/ Management, does not result into identification of different ways/ sources into which they see the performance of the Company. Accordingly, the company has a single reportable and geographical segment i.e Treasury operations and operating in India respectively. Hence, the relevant disclosures as per Ind AS 108, Operating Segments are not applicable to the company.

Particulars	2024-25	2023-24
Segment Revenue from Treasury operations	1,67,627.90	1,57,667.25
Segment Revenue from India Operations	1,67,627.90	1,57,667.25
Non current Assets	777.72	849.85

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Note 40: Maturity analysis of assets and liabilities

Assets	31-Mar-25			31-Mar-24		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	6,228.67	-	6,228.67	29,803.27	-	29,803.27
Bank balance other than above	20,013.00	128.30	20,141.30	21.81	153.34	175.15
Derivative financial instruments	66,499.71	-	66,499.71	50,053.51	-	50,053.51
Receivables	-	-	-	-	-	-
(i) Trade Receivables	36.15	-	36.15	28.62	-	28.62
(ii) Other receivables	9.63	-	9.63	262.40	-	262.40
Loans	5,232.22	311.29	5,543.52	23,083.98	302.16	23,386.14
Investments	23,07,268.71	9,231.82	23,16,500.54	2,194,389.23	1,06,370.76	23,00,759.99
Other financial assets	38,349.73	15,464.62	53,814.35	31,287.07	15,369.74	46,656.81
Non- financial assets						
Current tax assets (net)	578.33	-	578.33	486.23	-	486.23
Deferred tax assets (net)	-	120.68	120.68	-	1,492.62	1,492.62
Investment property	-	-	-	-	-	-
Property, plant and equipment	-	268.73	268.73	-	263.84	263.84
Capital Work in progress	-	-	-	-	-	-
Right of Use Asset	-	229.79	229.79	-	387.49	387.49
Other Intangible assets	-	3.63	3.63	-	65.28	65.28
Intangible Assets under development	-	-	-	-	-	-
Other non- financial assets	199.32	76.25	275.57	70.68	82.29	152.97
Total Assets	24,44,415.47	25,835.11	24,70,250.59	23,29,486.80	1,24,487.53	24,53,974.33
Liabilities						
Financial liabilities						
Derivative financial instruments	67,284.56	-	67,284.56	50,188.28	-	50,188.28
Trade Payables (other than MSME)	85.24	-	85.24	106.32	-	106.32
Other payables (MSME)	14.31	-	14.31	2.32	-	2.32
Other payables (other than MSME)	319.93	-	319.93	367.83	-	367.83

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Debt Securities	-	-	-	-	-	-
Borrowing (other than debt securities)	22,38,145.55	-	22,38,145.55	22,39,901.28	-	22,39,901.28
Lease Liability	-	254.90	254.90	-	407.43	407.43
Other financial liabilities	9,090.38	129.34	9,219.72	28,938.91	155.03	29,093.95
Non financial liabilities						
Current tax liabilities (net)	126.94	-	126.94	455.84	-	455.84
Provisions	34.41	163.72	198.13	207.80	205.42	413.21
Deferred tax liabilities (net)	-	-	-	-	-	-
Other Non financial liabilities	81.44	-	81.44	62.21	-	62.21
Total Liabilities	23,15,182.76	547.96	23,15,730.72	23,20,230.79	767.88	23,20,998.67

Note 41: Risk Management

Introduction and risk profile

The company is primarily a dealer in debt and money market instruments. In view of the intrinsic nature of operations, the company is exposed to a variety of risks, which can be broadly classified into credit risk, market risk and liquidity risk. It is also subject to various regulatory risks and operational risks. Well-established systems and procedures provide adequate defense against the regulatory and operational risk.

Risk management struture and policies

In terms of RBI guidelines for NBFCs, the Risk Management Committee, has been entrusted with the responsibility by the Board in laying down procedures for risk assessment and minimization. The Committee also reviews these procedures periodically to ensure that executive management is implementing and controlling the risks through means of a properly defined risk framework. Risk Management Policy is reviewed by the Risk Management Committee and on the basis of the Committee's recommendation, the Board approves the same. PVBP (Price value of a basis point) limit on the entire marked to market portfolio stands at 0.50% of audited NOF or quarter end NOF (whichever is lower) . The one day VaR limit stands at 7.5% of audited NOF or quarter end NOF (whichever is lower) on the entire marked to market portfolio. Leverage limit stands at 20 times quarter end Board approved NOF, while Non banker borrowing limit stands at Rs. 25,000 crore.

(A) Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Asset Liability Management of the Company is periodically reviewed by the Board.

The Liquidity Coverage Ratio (LCR) as on 31.03.2025 is 62.66 (P.Y. 65.41). This ratio is not applicable on Primary Dealers. The LCR is calculated by dividing High-Quality Liquid assets (HQLA) by its total net cash flows over a 30 day stress period.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at 31st March, 2025:

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

31st March 2025	1 day to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings from Banks	8,18,449.71	99,078.00	-	-	-	-	-	-	9,17,527.71
Market Borrowing	13,24,457.76	-	-	-	-	-	-	-	13,24,457.76
	21,42,907.47	99,078.00	-	-	-	-	-	-	22,41,985.47

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at 31st March, 2024:

31st March 2024	1 day to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings from Banks	5,63,561.62	-	-	-	-	-	-	-	5,63,561.62
Market Borrowing	16,79,166.70	-	-	-	-	-	-	-	16,79,166.70
	22,42,728.32	-	-	-	-	-	-	-	22,42,728.32

(B) Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. Counterparty exposure limits and instrument-wise exposure limits are the primary tools used for managing the credit risk in the business. The company uses the Current Exposure (CE) method for calculating credit exposure on derivative transactions as mentioned in RBI's capital adequacy guidelines for Primary Dealer's.

Analysis of risk concentration

In terms of paragraph 18 of the RBI notification DNBS (PD) CC No.178/03.02.001/2010-11 dated 1st July 2010, all the non-deposit taking non-banking financial companies shall adhere to the specific regulations limiting concentration in credit / investment to a single borrower or group of borrowers in a company. However, these concentration/ceilings would not be applicable where principal and interest are fully guaranteed by the Government of India. The maximum credit exposure, to any single borrower or counterparty was Rs. 31,500.00 lacs (P.Y. 2024 Rs.30,000.00 lacs) and to single group of borrower or counterparty was Rs. 45,570.00 lacs (P.Y. 2024 Rs. 35,900.00 lacs), before and after taking into account collateral or other credit enhancements.

There has not been any breach in extant exposure norms limit in terms with Master Direction-Standalone Primary Dealers (Reserve Bank) Directions, 2016 (RBI/DNBR/2016-17/42 Master Direction DNBR.PD.004/03.10.119/2016-17.

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. Value-at-Risk (VaR), Price Value of a Basis Point (PVBP) limits, sensitivity analysis and cut-loss policies form the core of market risk management system. Impact of interest rate movements on the business and earnings profile, is mitigated by operating within a well-defined proactive stop loss limit and value-at-risk (VaR) limit. The company also conducts sensitivity analysis of its portfolio to assess impact of parallel and non-parallel shifts in the yield curve on its earnings profile. Risk concentrations are restricted with specific limits mentioned above.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

The Company's exposure to market risk is segregated into trading and non-trading portfolios :

	31st March 2025			31st March 2024			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
ASSETS							
Financial assets							
Cash and cash equivalents	6,228.67	-	6,228.67	29,803.27	-	29,803.27	Interest rate
Bank balance other than above	20,141.30	-	20,141.30	175.15	-	175.15	Interest rate
Derivative financial instruments	66,499.71	66,499.71	-	50,053.51	50,053.51	-	Interest rate
Receivables							
(i) Trade Receivables	36.15	-	36.15	28.62	-	28.62	
(ii) Other receivables	9.63	-	9.63	262.40	-	262.40	
Loans	5,543.52	-	5,543.52	23,386.14	-	23,386.14	Interest rate
Investments	23,16,500.54	22,11,349.24	1,05,151.30	23,00,759.99	19,47,811.56	2,46,628.93	Interest rate
Other financial assets	53,814.35	-	53,814.35	46,656.81	-	46,656.81	
Total	24,68,773.87	22,77,848.95	1,90,924.92	24,51,125.90	19,97,865.07	3,46,941.33	
LIABILITIES							
Financial liabilities							
Derivative financial instruments	67,284.56	67,284.56	-	50,188.28	50,188.28	-	Interest rate
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	85.24	-	85.24	106.32	-	106.32	
Other payables	-	-	-	-	-	-	
(i) total outstanding dues of micro enterprises and small enterprises	14.31	-	14.31	2.32	-	2.32	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	319.93	-	319.93	367.83	-	367.83	
Debt Securities	-	-	-	-	-	-	
Borrowing (other than debt securities)	22,38,145.55	-	22,38,145.55	22,39,901.28	-	22,39,901.28	Interest rate
Lease Liability	254.90	-	254.90	407.43	-	407.43	
Other financial liabilities	9,219.72	-	9,219.72	29,093.95	-	29,093.95	
Total	23,15,324.21	67,284.56	22,48,039.64	23,20,067.41	50,188.28	22,69,879.13	

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Market risk – trading

Internal Value-At-Risk model(VaR model) is performed to compute the market risk of trading portfolio. For computing market risk, the Company uses the historical simulation non-parametric approach. Under this approach, the risk measure is an estimate of the amount that could be lost on trading portfolio in a 1 day holding period due to general market movements such as Interest rate risk, Spread risk, price risk etc over 250 trading days, at 99% confidence level.

Objective

Historical Simulation is the procedure for predicting value at risk (VaR) by “simulating” or constructing the cumulative distribution function of asset returns over time. It does not require any statistical assumption beyond stationarity of the distribution of returns or, in particular, their volatility.

Limitation:

The limitation of the historical simulation lies in its I.I.D. (independent, identically distributed) assumption of returns. From empirical evidence, it is known that asset returns are clearly not independent as they exhibit certain patterns such as volatility clustering. Unfortunately historical Simulation does not take into account such patterns.

I. Random chance (a very low probability event).

II. Markets moved by more than the likely prediction of the model (i.e. volatility was significantly higher than expected).

III. Markets did not move together as expected (i.e. correlations were significantly different than what was assumed by the model).

Assumptions:

This approach requires fewer statistical assumptions for underlying market factors:.

- A horizon of 1 trading day
- A 99% confidence interval
- An observation period based on at least 500 Days of historical data

	Interest Rate Risk	Equity and Equity F and O	Other*
2024-25 -31st March	1,193.89	8.97	0.29
2024-25 -Average	1,903.98	16.92	33.49
2024-25- Maximum	4,044.29	198.52	138.95
2024-25 -Minimum	1,034.00	3.98	0.02

	Interest Rate Risk	Equity and Equity F and O	Other*
2023-24 -31st March	3,346.75	6.89	105.69
2023-24 -Average	3,349.00	15.30	80.40
2023-24- Maximum	5,315.16	75.47	168.04
2023-24 -Minimum	2,016.52	0.57	5.36

*Other includes Currency Derivative and IRF

Back testing

It is the Company's policy to perform regular back-testing to validate the Company's VaR calculations. When back-testing, the Company compares daily profits and losses with the estimates derived from the Company's VaR model. The Company presents the results of back-testing to the RBI quarterly.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

During 2024-25, the Company recorded two back-testing exceptions (2023-24: one exception), when hypothetical losses exceeded one day VaR limit and no back testing exceptions on comparison of actual losses with one day VaR.

Market risk – Non trading

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company have fixed rate bank deposits, non traded govt securities and borrowings and hence not exposed to interest rate risk as far as these financial instruments are concerned.

Note 42 Fair value measurement

42.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

42.2 Valuation governance

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by the management. The responsibility of ongoing measurement resides with the risk department.

The Risk department validates fair value estimates by:

- Benchmarking prices against observable market prices given by Financial Benchmark India Private Limited (FBIL) or other independent sources
- Re-performing model calculations
- Evaluating and validating input parameters.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31st March, 2025					31st March, 2024				
	Carrying Value	Level 1	Level 2	Level 3	Total	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value										
Derivative financial instruments										
Interest rate swaps	66,499.71	-	66,499.71		66,499.71	50,053.51	12.18	50,041.33		50,053.51
Total derivative financial instruments	66,499.71	-	66,499.71	-	66,499.71	50,053.51	12.18	50,041.33	-	50,053.51
Financial investment held for trading										
Government Securities	19,48,391.83		19,48,391.83		19,48,391.83	18,21,028.69		18,21,028.69		18,21,028.69
Debt Securities	2,62,655.10		2,62,655.10		2,62,655.10	2,32,864.54		2,32,864.54		2,32,864.54
Equity instruments	302.31	302.31			302.31	237.83	237.83			237.83

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Total financial investment held for trading	22,11,349.23	302.31	22,11,046.92	-	22,11,349.23	20,54,131.06	237.83	20,53,893.22	-	20,54,131.06
Total assets measured at fair value	22,77,848.95	302.31	22,77,546.64	-	22,77,848.95	21,04,184.57	250.01	21,03,934.55	-	21,04,184.57
Liabilities measured at fair value										
Derivative financial instruments										
Interest rate swaps/ IRF	67,284.56	-	67,284.56		67,284.56	50,188.28	-	50,188.28		50,188.28
Liabilities measured at fair value	67,284.56	-	67,284.56	-	67,284.56	50,188.28	-	50,188.28	-	50,188.28

42.4 Valuation techniques

Government Securities (Central Government Securities and State Government Securities)

Government securities are financial instruments issued by Central and State Governments. The valuation under this category is done on the basis of prices provided by Financial Benchmarks India Private Limited (FBIL) and hence classified as level 2.

Treasury Bills (T-Bills)

Treasury Bills are short-term financial instruments issued by sovereign governments. FBIL has developed the FBIL-TBILL, a benchmark for the money market based on Treasury bills traded in the market. FBIL-TBILL is announced for fourteen tenors of 7 days, 14 days, 1 month, 2 months, 3 months, 4 month, 5 months, 6 months, 7 months, 8 months, 9 months, 10 months, 11 months and 12 months. FBIL-TBILL is calculated on the basis of secondary market trades executed. For Valuation, company use FBIL-TBILL benchmark and based on that benchmark company interpolate and calculate T-Bills prices corresponding to there residual maturities and are classified as Level 2.

Certificate of Deposits (CD)

Certificate of Deposits are short-term financial instruments issued by Banks. FBIL has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of CCIL. FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For Valuation, company use FBIL-CD benchmark and based on that benchmark company interpolate and calculate CD prices corresponding to there residual maturities and are classified as Level 2.

Commercial Papers (CP)

Commercial Paper is a monetary instrument issued by corporate bodies in the nature of promissory note. The issue of commercial papers is highly regulated and supervised by the Reserve Bank of India (RBI). Commercial Papers are reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform. As currently, CP curve is not published by FBIL/FIMMDA till then for valuation, company shall use market observable spread over T-Bill curve and based on that new benchmark (T-Bill + constant Spread across the curve) company shall interpolate and calculate CP prices corresponding to the residual maturities. Investments in CPs shall be classified as Level 2.

Corporate bonds and debentures

Whilst most of these instruments are standard fixed or floating rate securities, some may have more complex coupon or embedded derivative characteristics. For valuation, Company uses FIMMDA provided SLV valuation for plain

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

vanilla bonds as well as FIMMDA provided last 15 days market prices when available, or other observable inputs (i.e. FIMMDA credit spread matrix and G-sec par curve) in discounted cash flow models. As corporate bonds and debenture fair valuations are based on the FIMMDA methodology, either directly (i.e. as prices) or indirectly (i.e. derived from related curve and spread), such instruments are classified as Level 2.

Equity instruments

The equity instruments are actively traded on public stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. All the company's equity instruments are traded ones.

Mutual Funds

Units held in Liquid debt mutual funds are valued based on their AMFI published net asset value (NAV), such instruments are classified under Level 1.

Exchange traded derivative

These derivative instruments are actively traded on public stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. All the company's exchange traded derivatives are traded ones.

Interest rate derivatives

Interest rate derivatives include interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3. Company is having all the Level 2 interest rate derivatives.

42.5 There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31st March, 2025 and 31st March, 2024.

42.6 Valuation adjustments

Credit and Debit valuation adjustments (CVA/DVA)

The Company calculates CVA/DVA on a counterparty basis over the entire life of the exposure. CVA is calculated by multiplying the probability of default (PD), the loss given default (LGD) and the expected exposure (EE) at the time of default.

A Debit valuation adjustment (DVA) is applied to incorporate the company's own credit risk in the fair value of derivatives (i.e., the risk that the company might default on its contractual obligations), using the same methodology as for CVA (i.e., applying the company's PD and multiplying it with LGD and EE).

The Company applies CVA and DVA to all relevant (not fully collateralised) over-the-counter positions with the exception of positions settled through central clearing houses. During the FY 2024-25, there was no over the counter position in the derivative segment. Hence, CVA and DVA have not been calculated for this financial year.

42.7 Impact of valuation adjustments

The following table shows the amount recorded in the statement of profit and loss:

	2024-25	2023-24
Type of adjustment		
Credit value adjustment	-	-
Total	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

42.8 Fair value of financial instruments not measured at fair value (At Amortised Cost)

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	31st March, 2025		31st March, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:				
Cash and cash equivalents	6,228.67	6,228.67	29,803.27	29,803.27
Bank balance other than above	20,141.30	20,141.30	175.15	175.15
Receivables			-	-
(i) Trade Receivables	36.15	36.15	28.62	28.62
(ii) Other receivables	9.63	9.63	262.40	262.40
Investment in Govt. Securities *(including accrued interest as per coupon)	1,05,151.30	1,05,151.30	2,46,628.93	2,46,628.93
Loans	5,543.52	5,543.52	23,386.14	23,386.14
Other Financial assets	53,814.35	53,814.35	46,656.81	46,656.81
Total financial assets	1,90,924.92	1,90,924.92	3,46,941.33	3,46,941.33
Financial Liabilities:				
Trade payables	85.24	85.24	106.32	106.32
Other payables	334.24	334.24	370.15	370.15
Debt securities	-	-	-	-
Borrowing (other than debt securities)	22,38,145.55	22,38,145.55	22,39,901.28	22,39,901.28
Lease Liability	254.90	254.90	407.43	407.43
Other financial liabilities	9,219.72	9,219.72	29,093.95	29,093.95
Total financial liabilities	22,48,039.65	22,48,039.65	22,69,471.70	22,69,471.70

42.9 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, balances other than cash and cash equivalents, loans, other financial assets, trade payables, Short term borrowings and other financial liabilities .

Financial asset at amortised cost

These includes staff loans . The carrying amount of such loans after applying Effective Interest Rate are a reasonable approximation of their fair value.

Government Securities (Central Government Securities and State Government Securities)

Government securities are financial instruments issued by Central and State Governments. The valuation under this category is done on the basis of prices provided by Financial Benchmarks India Private Limited (FBIL).

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

NOTE 43: Disclosures on interest rate swaps

	Hedging Swaps		Trading Swaps	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Notional Principal (Gross)	-	-	1,39,91,260.78	1,49,30,702.50
Marked to Market Positions	-	-	(856.74)	(451.69)
Max. of 100 * PV01 observed during the year	-	-	4,504.41	10,341.57
Min. of 100 * PV01 observed during the year	-	-	2.64	0.71
Market Risk	In the event of 100 basis points adverse movement in interest rate there will be a negative impact Rs. 2,443.62 lacs (prev. year Rs. 1,719.45 lacs) on Trading Swaps in Swap Book. The losses, which would be incurred if, counter parties fail to fulfill their obligations works out to Rs. NIL lacs (prev. year Rs. Nil lacs) The Company's exposure with regard to outstanding swap transactions is limited to CCIL.			
Collateral	No Collateral is insisted upon from counterpart			
Credit Risk Concentration	No Bilateral exposure			

NOTE 44: Issuer compositions of investments in non-government securities

As on March 31, 2025, the total stock of Rs. 23,12,180.21 lacs (P.Y. Rs. 23,04,763.46 lacs) (Book Value before providing diminution/appreciation) comprises of

- Govt. Securities (including T. Bills) - Rs. 20,49,649.75 lacs (prev. year Rs. 20,71,662.89 lacs),
- Equity Instruments - Rs. 299.65 lacs (prev. year Rs. 241.02 lacs),
- Money Market instruments - Rs. 65,555.48 lacs (prev. year Rs 68,197.09 lacs),
- Corporate Bonds and Debentures - Rs. 1,96,675.33 lacs (prev. year Rs. 1,64,662.46 lacs)

The Book Value (before providing diminution/appreciation) of Non-Government Securities comprises of

- AAA rated - Rs. 1,69,965.39 lacs (prev. year Rs. 1,57,792.52 lacs)
- AA+ rated bonds - Rs. 17,900 lacs (prev. year Rs. Nil lacs)
- AA rated bonds - Rs. 8,809.94 lacs (prev year Rs. 6,869.94 lacs)
- A+ rated bonds - Rs. Nil lacs (prev year Rs. Nil lacs)
- A1+ rated Bank CDs. - Rs. 65,555.48 lacs (prev. year Rs. 68,197.09 lacs)
- A rated bonds - Rs. Nil lacs (prev year Rs. Nil lacs)
- BB+ rated bonds - Rs. Nil lacs (Prev year Rs. Nil lacs)
- D rated bonds - Rs. Nil lacs (Prev year Rs. Nil lacs)

The ratings of the following bonds have declined as under:

Issuer Name	Migrated Rating	Rating Action
-	-	-
-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

S. No.	Issuer	Book Value	Extent of Private Placement	Extent of Below Investment Grade Securities	Extent of Unlisted Securities	Extent of Unrated Securities
1	PSUs	1,19,886.41 (50,016.96)	NA	NA	NA	NA
2	FIs	39,403.13 (53,897.24)	NA	NA	NA	NA
3	Banks	74,884.46 (88,627.66)	NA	NA	NA	NA
4	Other PDs	NIL (NIL)	NA	NA	NA	NA
5	Private Corporates	7,827.15 (7,515.00)	NA	NA	NA	NA
6	Subsidiaries/Joint Ventures	NIL (NIL)	NA	NA	NA	NA
7	Others (NBFCs)	20,229.66 (32,802.68)	NA	NA	NA	NA
8	Provision held towards (-diminution)/ appreciation	424.29 (4.99)	NA	NA	NA	NA
	Total	2,62,655.10 (2,32,864.54)	NA	NA	NA	NA

Figures in brackets relate to FY 2023-24

NOTE 45: CRAR, net owned funds and related information

Sl. No.	Particulars	31 st March 2025	31 st March 2024
i)	CRAR (%)	42.68	34.01
ii)	CRAR – Tier I (Capital (%))	42.68	34.01
iii)	CRAR – Tier II (Capital (%))	NA	NA
iv)	Amount of subordinated debt raised as Tier-2 capital	NA	NA
v)	Amount raised by issue of perpetual Debt instruments	NA	NA

Capital Adequacy Ratios as per Ind AS on June 30, 2024, September 30, 2024, December 31, 2024 and March 31, 2025 were 36.06% (P.Y. 31.55 per cent), 41.75 per cent (P.Y. 29.36 per cent), 55.91 per cent (P.Y. 38.68 per cent) and 42.68 per cent (P.Y. 34.01 per cent) respectively as against RBI stipulation of 15 per cent.

Capital Adequacy Ratio as on March 31, 2025 stands at 42.68 per cent as against RBI stipulation of 15%. (The CRAR has been computed in accordance with the RBI Notification No. RBI/DNBR/2016-17/42 Master Direction DNBR.PD.004/03.10.119/2016-17 (last updated as on 14th November 2022).

The Net Owned funds of the company stand at Rs. 1,51,741.19 lacs (P.Y. 1,31,335.47 lacs) as against the minimum stipulated capital of Rs. 25000 lacs. Return on Average Net Owned Funds for the year 2024-25 stands at 16.46%. (P.Y. 2023-24 5.44%).

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Interest Rate Swaps

Sl. No.	Particulars	31 st March 2025	31 st March 2024
i)	The Notional Principal of swap agreements	1,39,91,260.78	1,49,30,702.50
ii)	Losses which would be incurred if counterparties fail to fulfill their obligations under the agreements	NIL	NIL
iii)	Concentration of credit risk arising from the swaps	NIL	NIL
iv)	The fair value of the swap book	1,39,90,404.04	1,49,30,250.81

Quantitative Disclosures of Interest Rate Swaps for Financial Year 2024-25 are as under:

Sl. No.	Particulars	31 st March 2025	31 st March 2024
i)	Derivatives (Notional Principal Amount Outstanding)		
	a) For Hedging	-	-
	b) For Trading	1,39,91,260.78	1,49,30,702.50
ii)	Marked to Market Positions		
	a) Asset (+)	68,975.59	43,396.33
	b) Liability (-)	(69,832.33)	(43,848.02)
iii)	Credit Exposures	NIL	NIL
iv)	Likely impact of one percentage change in interest rate (100* PV01)		
	a) On Hedging Derivatives	-	-
	b) On Trading Derivatives	2,443.62	1,719.45
v)	Maximum and Minimum of 100*PV01 observed		
	a) On Hedging Derivatives	-	-
	b) On Trading Derivatives	4,504.41 and 2.64	10,341.57 and 0.71

Qualitative Disclosure on risk exposure in derivatives

Company has a board approved business policy which acts as an exhaustive document comprising of various regulatory and risk limits. Derivatives' trading is guided by this document and is conducted under the ambit of the policies defined in this document.

The company follows a strict segregation of functional duties across departments. As a consequence, no single individual shall be in a position to consummate (dealing, settlement, valuation and accounting) a derivatives transaction alone by himself/herself.

The Company measures and monitors risk of its derivatives portfolio using risk metrics such as Value at Risk (VAR), PVBP and position limits. Mid-office calculates and monitors risk management parameters on daily basis and ensures compliance with the policy limits.

Over the counter (OTC) derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with the respective counter parties for credit risk mitigation.

Quantitative Disclosures of Interest Rate Futures and Currency Derivatives for Financial Year 2024-25 are as under:

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Sl. No.	Particulars	31 st March 2025	31 st March 2024
i)	Derivatives (Notional Principal Amount Outstanding)		
	For Hedging		
	a) Currency Derivatives	-	-
	b) Interest Rate Futures	-	-
ii)	Marked to Market Positions (Currency Derivatives)		
	a) Asset (+)	-	-
	b) Liability (-)	(0.00)	(12.18)
	Marked to Market Positions (Interest Rate Futures)		
	a) Asset (+)	-	-
	b) Liability (-)	-	-
iii)	Credit Exposures		
	a) Currency Derivatives	-	-
	b) Interest Rate Futures	-	-
iv)	Unhedged Exposures		
	a) Currency Derivatives	-	-
	b) Interest Rate Futures	-	-

Quantitative Disclosures of Exchange Traded Interest Rate Futures for FY 2024-25 are as under:

S.No.	Particulars	31 st March 2025	31 st March 2024
i)	Notional Principal Amount of IRF undertaken during the year	-	-
ii)	Notional Principal Amount of IRF outstanding as on 31 st March	-	-
iii)	Notional Principal Amount of IRF outstanding and not highly effective	-	-
iv)	Mark-to-market value of IRF outstanding and not highly effective	-	-

The company has not financed any of its parent company products during the year.

NOTE 46: Real estate exposures

Exposure to Real Estate Sector

Category			31 st March 2025 (Book Value)	31 st March 2024 (Book Value)
a.	i.	Residential Mortgages-		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;(individual housing loans upto Rs. 15 lacs may be shown separately)	251.31	249.89
	ii.	Commercial Real estate-		

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	NIL	NIL
	iii.	Investments in mortgage backed securities (MBS and other securitized exposures-		
		a. Residential b. Commercial Real Estate	NIL	NIL
	b.	Indirect Exposure		
		Fund Based and non fund based exposures on Housing Finance Companies(HFCs)	29,769.67	50,799.26
		Total exposure to Real estate Sector	30,020.98	51,049.15

NOTE 47: Asset liability management

FY 2024-25

	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 upto 3 months	Over 3 upto 6 months	Over 6 months upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	5,230.88	3.27	22.81	21.42	-	-	198.92	13.76	2.89	15,773.02	21,266.97
Investments	22,11,349.23	-	6,205.50	3,303.31	2,566.44	10,096.02	73,748.21	9,231.82	-	-	23,16,500.54
Borrowings	20,75,567.55	33,500.00	30,000.00	99,078.00	-	-	-	-	-	-	22,38,145.55
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

FY 2023-24

	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 upto 3 months	Over 3 upto 6 months	Over 6 months upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits											
Advances	23,340.26	-	-	53.00	-	50.94	6.11	-	4.94	15,666.97	39,122.22
Investments	20,54,131.06	10,327.47	-	-	25,856.26	12,731.28	91,343.15	1,06,370.76	-	-	23,00,759.98
Borrowings	19,77,880.28	66,950.00	1,95,071.00	-	-	-	-	-	-	-	22,39,901.28
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

NOTE 48: Details of Corporate Social Responsibility expenses:

- a) Gross amount required to be spent by the Company during the year is Rs. 192.99 Lacs (P.Y. Rs. 621.91 lacs)
- b) Amount spent during the year on:

S. No.	Particulars	In cash/cheque (₹ in lacs)
i)	Construction/acquisition of any asset*	Nil (P.Y. Nil)
ii)	On purpose other than (i) above towards PM National Relief Funds	9.65 (P.Y. Nil)
iii)	On purpose other than (i) above Shree Bhagwan Mahaveer Viklang Sahayata Samiti	144.12 (P.Y. Nil)
iv)	On purpose other than (i) above towards the Beautiful Tomorrow	29.57 (P.Y. Nil)
v)	On purpose other than (i) above through Administrative expenses	9.65 (P.Y. 16.69)
vi)	On purpose other than (i) above through Indian Cancer Society (Ongoing project)	111.98^ (P.Y. 41.27)\$
vii)	On purpose other than (i) above through The Rotary Club of Bombay Pier Charities Trust (Ongoing project)	87.00^ (P.Y. Nil)
viii)	On purpose other than (i) above through Help Age India	Nil (P.Y. 112.50)
ix)	On purpose other than (i) above through Doctors for you	Nil (P.Y. 206.98 and Rs. 107.54 lacs paid in FY 23-24 out of unspent of FY 22-23)
x)	On purpose other than (i) above through I Am Gurgaon (Ongoing project)	8.80# (P.Y. 8.80 paid in FY 23-24 out of unspent of FY 22-23)
xi)	On purpose other than (i) above towards Clean Ganga	Nil (P.Y. 44.90)

*There is no asset creation in the books of accounts

^Rs. 111.98 lacs paid to Indian Cancer Society and Rs. 87.00 lacs to The Rotary Club of Bombay Pier Charities Trust out of unspent amount of FY 23-24 in FY 24-25.

Rs. 8.80 lacs spent for maintenance cost for FY 24-25 for I am Gurgaon out of unspent amount of FY 22-23.

\$ Surplus income of Rs. 1.12 lacs arising from this project is also utilized in the same project.

- c) Shortfall at the year-end: NA
- d) Total of Previous Year shortfall: Rs. 198.98 lacs
- e) Reason for shortfall: (FY 2024-25: Nil)

FY 2023-24-Rs. 111.98 lacs remained unspent by Indian Cancer Society due to unforeseen complications arisen with unavailability of women in strength in screening camps and delayed start of the project.

For project of Rotary Foundation, Rs. 87 lacs lacs remained unspent due to operational changes in implementing partner from Rotary Foundation (India) to the Rotary Club of Bombay Pier Charities Trust as on 31.03.2024

- f) Nature of CSR activities: Promotion of healthcare including preventive healthcare and sanitation and environment sustainability and contribution to PM National Relief Funds
- g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard: Not Applicable

Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: Not Applicable

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

NOTE 49: Customer Complaints

a) No. of complaints pending at the beginning of the year	NIL
b) No. of complaints received during the year	NIL
c) No. of complaints redressed during the year	NIL
d) No. of complaints pending at the end of the year	NIL

NOTE 50: Exposure to capital market

Particulars	31 st March 2025 (Book Value)	31 st March 2024 (Book Value)
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	299.65	241.02
Advances against shares/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible debentures, and units of equity- oriented mutual funds;	Nil	Nil
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bond/ convertible debentures/ units of equity oriented mutual funds 'does not fully cover the advances'	Nil	Nil
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers;	Nil	Nil
Loan sanctioned to corporate against the security of shares/ bonds/ debenture or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
Bridge loans to companies against expected equity flows/ issues;	Nil	Nil
Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Financing to stockbrokers for margin trading	Nil	Nil
All exposures to Alternative Investment Funds:	Nil	Nil
(i) Category I		
(ii) Category II		
(iii) Category III		
Total exposure to capital market	299.65	241.02

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

NOTE 51: Sectoral Exposures

Sectors	31 st March 2025			31 st March 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	Nil	Nil	Nil	Nil	Nil	Nil
2. Industry						
i....	Nil	Nil	Nil	Nil	Nil	Nil
ii....	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total of Industry (i+ii+...+Others)	Nil	Nil	Nil	Nil	Nil	Nil
3. Services						
i...	Nil	Nil	Nil	Nil	Nil	Nil
ii...	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total of Services (i+ii+...+Others)	Nil	Nil	Nil	Nil	Nil	Nil
4. Unsecured Personal Loans						
i...	Nil	Nil	Nil	Nil	Nil	Nil
ii...	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total of Personal Loans (i+ii+...+Others)	Nil	Nil	Nil	Nil	Nil	Nil
5. Other personal Loans						
i...	Nil	Nil	Nil	Nil	Nil	Nil
ii...	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Total of Other Personal Loans (i+ii+...+Others)	Nil	Nil	Nil	Nil	Nil	Nil
6. MSME						
i...	Nil	Nil	Nil	Nil	Nil	Nil
ii...	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total of MSME (i+ii+...+Others)	Nil	Nil	Nil	Nil	Nil	Nil
7. Corporate Borrowers						
i...	7827.15	Nil	Nil	7515.00	Nil	Nil
ii...	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total of Corporate (i+ii+...+Others)	Nil	Nil	Nil	Nil	Nil	Nil
8. Auto Loans						
i...	Nil	Nil	Nil	Nil	Nil	Nil
ii...	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total of Auto Loans (i+ii+...+Others)	Nil	Nil	Nil	Nil	Nil	Nil
9. Others, if any (please specify)						
-Staff Loan	251.31	Nil	Nil	249.89	Nil	Nil
Investment in bonds and debentures						
-PSUs	1,19,886.41	Nil	Nil	50,016.96	Nil	Nil
-FIs	39,403.13	Nil	Nil	53,897.24	Nil	Nil
-Banks	74,884.46	Nil	Nil	88,627.66	Nil	Nil
-Other NBFCs	20,229.66	Nil	Nil	32,802.68	Nil	Nil

NOTE 52: Movement of NPAs

Particulars		31 st March 2025	31 st March 2024
(i)	Net NPAs to Net Advances (%)	Nil	Nil
(ii)	Movement of NPAs (Gross)	Nil	Nil
	Opening Balance	Nil	Nil

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

	Additions during the year	Nil	Nil
	Reductions during the year	Nil	Nil
	Closing balance	Nil	Nil
(iii)	Movement of Net NPAs	Nil	Nil
	Opening Balance	Nil	Nil
	Additions during the year	Nil	Nil
	Reductions during the year	Nil	Nil
	Closing balance	Nil	Nil
(iv)	Movement of Provisions for NPAs (excl provisions on Standard Assets)	Nil	Nil
	Opening Balance	Nil	Nil
	Additions during the year	Nil	Nil
	Reductions during the year	Nil	Nil
	Closing balance	Nil	Nil

NOTE 53: Concentration of deposits, advances, exposures and NPAs

i) Concentration of Advances

Particulars	31 st March 2025	31 st March 2024
Total advances to twenty largest borrowers	NA	NA
Percentage of advances to twenty largest borrowers to Total Advances of the NBFC	NA	NA

ii) Concentration of Exposures

Particulars	31 st March 2025	31 st March 2024
Total exposure to twenty largest borrowers/customers	2,77,880.88	2,31,835.63
Percentage of exposures to twenty largest borrowers to Total exposures of the NBFC on borrowers/customers	98.46%	99.56%

iii) Concentration of NPAs

Particulars		
Total exposure to four NPA accounts	NA	NA

NOTE 54: Intra-group exposures (Rs. in lacs)

NBFCs shall make the following disclosures for the current year with comparatives for the previous year:

- Total amount of intra-group exposures- 20000 (P.Y. Nil)
- Total amount of top 20 intra-group exposures- 20000 (P.Y. Nil)
- Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers- 7.09% (P.Y. Nil)

NOTE 55: Unhedged foreign currency exposure- NIL

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

NOTE 56: Disclosure of complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	31 st March 2025	31 st March 2024
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	Nil	Nil
2.	Number of complaints received during the year	Nil	Nil
3.	Number of complaints disposed during the year	Nil	Nil
3.1	Of which, number of complaints rejected by the NBFC	Nil	Nil
4.	Number of complaints pending at the end of the year	Nil	Nil
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	Nil	Nil
5.1.	Of 5, number of complaints resolved in favor of the NBFC by Office of Ombudsman	Nil	Nil
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil
	Maintainable complaints received by the NBFC from Office of Ombudsman		

1) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	31 st March 2025				
Ground - 1	Nil	Nil	Nil	Nil	Nil
Ground - 2	Nil	Nil	Nil	Nil	Nil
Ground - 3	Nil	Nil	Nil	Nil	Nil
Ground - 4	Nil	Nil	Nil	Nil	Nil
Ground - 5	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil
	31 st March 2024				
Ground - 1	Nil	Nil	Nil	Nil	Nil
Ground - 2	Nil	Nil	Nil	Nil	Nil

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

Ground - 3	Nil	Nil	Nil	Nil	Nil
Ground - 4	Nil	Nil	Nil	Nil	Nil
Ground - 5	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil

NOTE 57: Loans to Directors, Senior officers and relative of Directors

	31 st March 2025	31 st March 2024
DIRECTORS AND THEIR RELATIVES	Nil	Nil
ENTITIES ASSOCIATED WITH DIRECTORS AND THEIR RELATIVES	Nil	Nil
SENIOR OFFICERS AND THEIR RELATIVES	Nil	Nil

NOTE 58: Details of Repo and Reverse Repo Transactions

Particulars	Min Outstanding during the year	Max Outstanding during the year	Daily Average outstanding during the year	March 31, 2025
Repo	8,24,169.26 (P.Y. 11,89,864.32)	16,36,747.26 (P.Y. 18,53,110.40)	12,83,733.30 (P.Y. 15,62,736.23)	8,60,241.54 (P.Y. 16,14,946.83)
Reverse Repo	405.95 (P.Y. 3,559.13)	1,95,093.90 (P.Y. 2,87,788.07)	58,729.65 (P.Y. 1,06,683.91)	5,226.76 (P.Y. 23,077.86)

NOTE 59

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	23,16,500.54	-	23,16,500.54	-	-
	Stage 2	-	-	-	-	-
Sub total		-	-	-	-	-
		-	-	-	-	-
Non-Performing Assets (NPA)		-	-	-	-	-
Substandard	Stage 3	-	-	-	-	-
		-	-	-	-	-
Doubtful- upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
		-	-	-	-	-
Other items such as guarantees, loan commitments etc which are in the scope of Ind AS 109 but not covered under current Income recognition, Asset classification And Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
		-	-	-	-	-
Total	Stage 1	23,16,500.54	-	23,16,500.54	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	-	-	-	-	-

NOTE 60: Registration/ License/authorization obtained from financial sector regulators

- MCA- Certificate of Incorporation Number is L74899DL1996PLC077120
- Primary Dealership Business Authorisation granted by RBI has been renewed by RBI upto March 31, 2028.
- RBI- Certificate of Registration bearing No. 14.00007 dated February 10, 1998.
- SEBI – Registration number as Stock Broker is INZ000007831.
- RBI- AD Category III No. 04/2023

NOTE 61: Information on all provisions and contingencies booked as expenditure in Profit and Loss Account:

Particulars	31 st March 2025	31 st March 2024
Provision for (Depreciation)/ Appreciation on investments (stock-in-trade and derivatives)	7,930.93	9,822.24
Provision towards NPA	Nil	Nil
Provision towards Income Tax and Deferred Tax	7,792.40	2,940.26
Others (Expense Related)	(215.08)	91.71
Provision for Standard Assets	Nil	Nil

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

NOTE 62 : Investments (Stock-In-Trade)

Particulars	31 st March 2025	31 st March 2024
Gross Value of Investments		
(a) In India	23,12,180.22	23,04,763.47
(b) Outside India	-	-
Provision for (Depreciation)/ Appreciation		
(a) In India	4320.32	(4,003.48)
(b) Outside India	-	-
Net Value of Investments		
(c) In India	23,16,500.54	23,00,759.99
(d) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	(4,003.48)	(14,816.78)
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off of excess provisions during the year	8,323.80	10,813.30
(iv) Closing balance	4,320.32	(4,003.48)

NOTE 63: Disclosure of penalties

Penalties levied by Regulators (i.e. RBI): Nil Lacs (P.Y.: Nil lacs)

NOTE 64: Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2025

a) Credit Rating and change in Credit Rating (if any)

Rating Agencies	Rating Programme	Rating Assigned	Migration	Rating Amount	
				31.03.2025	31.03.2024
ICRA	Short Term Commercial Paper	A1+	-	1,00,000.00	1,00,000.00
	Inter Corporate Deposit	A1+	-	1,00,000.00	1,00,000.00
CRISIL	Short Term Commercial Paper	A1+	-	1,00,000.00	1,00,000.00
India Ratings and Research	Bank loan Rating	IND A1+	-	2,00,000.00	2,00,000.00
	Inter Corporate Deposit	IND A1+	-	1,00,000.00	1,00,000.00

b) During the current financial year, there was no Commercial Paper issuance. Therefore, no ratios are disclosed.

NOTE 65: COVID-19 Impact

The Company neither has any adverse financial impact due to COVID-19 nor it anticipates any impact on its liquidity position or its ability to continue as a going concern.

Notes to Financial Statements as at and for the year ended 31st March, 2025

(Amounts in Rs. Lakhs, unless otherwise stated)

NOTE 66: Subsequent Events

There is no subsequent event after the reporting date till the date of approval of the financial statements, which may impact the financial statements of the company except an amount of Rs. 9.09 lacs was received on 17th April 2025 from SREI Equipments Finance Limited written off in FY 2021-22.

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

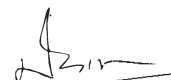
For and on behalf of the Board



(Kalyan Kumar)
Director
DIN: 09631251



(C.A. Chandra Prakash)
CFO
Membership No. 415359



(Gopal Singh Gusain)
Director
DIN: 03522170



(Monika Kochar)
Company Secretary
Membership No. F6514

In terms of our report of even date
For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA. Ashish Mittal)
Partner
Membership No. 511442

Date: May 02, 2025
Place : New Delhi
Regd off : 5, Sansad Marg,
New Delhi – 110001

SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

[as required in terms of para 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

(Amounts in Rs. Lakhs, unless otherwise stated)

Particulars			
Liabilities Side :			
(1) Loans and advances availed by the non-banking financial company inclusive of Interest accrued thereon but not paid:	Amount outstanding	Amount overdue	Remarks
(a) Debentures : Secured	-	-	-
: Unsecured	-	-	-
(Other than falling within the meaning of public deposits*)			
(b) Deferred Credits	-	-	-
(c) Term Loans	-	-	-
(d) Inter-Corporate loans and borrowing	26,267.00	-	-
(e) Commercial Paper	-	-	-
(f) Other Loans (specify nature)	22,38,145.55	-	-
Secured Loans			
1. Borrowings from RBI	5,13,448.00	-	-
2. TREPS Borrowings	4,36,655.95	-	-
3. Repo Borrowing	8,60,241.54	-	-
4. Line of Credit from PNB	54,918.05	-	-
Unsecured Loans			
1. Call Money Borrowings	3,46,615.00	-	-
2. Commercial Paper Borrowings	-	-	-
3. Inter Corporate deposit	-	-	-
* Please see Note 1 below			
Assets Side :			
(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):			
(a) Secured	5,535.16	-	-
(b) Unsecured	8.35	-	-

(Amounts in Rs. Lakhs, unless otherwise stated)

(3) Break up of leased Assets and stock on hire and other assets counting towards AFC activities	NA	-	-
(I) Lease assets including lease rentals under sundry debtors :	-	-	-
(a) Financial lease	-	-	-
(b) Operating lease	-	-	-
(ii) Stock on hire including hire charges under sundry debtors :	-	-	-
(a) Assets on hire	-	-	-
(b) Repossessed Assets	-	-	-
(iii) Other loans counting towards AFC activities	-	-	-
(a) Loans where assets have been repossessed	-	-	-
(b) Loans other than (a) above	-	-	-
(4) Break-up of Investments / Stock-in-trade :	Amount outstanding		
Current investments (Stock-in-trade):			
1. Quoted :			
(I) Shares : (a) Equity	299.65	-	(Market Value Rs. 302.31 lacs)
(b) Preference			
(ii) Debentures, Bonds, CP and CD	2,62,230.81	-	(Market Value Rs. 2,62,655.10 lacs)
(iii) Units of mutual funds			
(iv) Government Securities	19,44,498.45	-	(Market Value Rs. 19,48,391.83 lacs)
(v) Others (Please specify)	-	-	-
2. Unquoted :			
(I) Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	-	-	-
(iii) Units of Mutual Funds	-	-	-
(iv) Government Securities	-	-	-
(v) Others (please specify)	-	-	-

(Amounts in Rs. Lakhs, unless otherwise stated)

Long Term Investments : 1. Quoted : (I) Shares : (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of mutual funds - (iv) Government Securities 1,05,151.30 (v) Others (Please specify) - 2. Unquoted : (I) Shares : (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of Mutual Funds - (iv) Government Securities - (v) Others (please specify) - (Term Deposit) - TOTAL : 23,12,180.21 (5) Borrower group-wise classification of Assets financed as in (2) and (3) above : (Please see Note 2 below)			
Category	Secured	Amount net of provisions Unsecured	
1. Related Parties ** (a) Subsidiaries - (b) Companies in the same group - (c) Other related parties - 2. Other than related parties - TOTAL: - Note: Loans and Advances given in Note 2 above are Staff Loans, hence do not fall in this category and not disclosed. (6) Investor group-wise classification of all investments (current and long term) in shares and Securities (both quoted and unquoted) :			

(Amounts in Rs. Lakhs, unless otherwise stated)

(Please see note 3 below)			
Category	Market Value/ Break up or fair value or NAV		Book Value
1. Related Parties **			
(a) Subsidiaries	-		-
(b) Companies in the same group	-		-
(c) Other related parties	-		-
2. Other than related parties	23,16,500.54		23,12,180.21
TOTAL :	23,16,500.54		23,12,180.21
**As per Accounting Standard of ICAI (Please see Note 3)			
(7) Other Information			
Particulars	Amount		
(I) Gross Non-Performing Assets	-		
(a) Related Parties			
(b) Other than related parties			
(ii) Net Non-Performing Assets	-		
(a) Related Parties			
(b) Other than related parties			
(iii) Assets acquired in satisfaction of debt	-		

Notes :

- As defined in paragraph 2 (1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For and on behalf of the Board



(Kalyan Kumar)
Director
DIN: 09631251



(C.A. Chandra Prakash)
CFO
Membership No. 415359



(Gopal Singh Gusain)
Director
DIN: 03522170



(Monika Kochar)
Company Secretary
Membership No. F6514

In terms of our report of even date
For **Batra Deepak & Associates**
Chartered Accountants
(FRN: 005408C)



(CA. Ashish Mittal)
Partner
Membership No. 511442

Date: May 02, 2025
Place : New Delhi
Regd off : 5, Sansad Marg,
New Delhi – 110001

FINANCIALS AT A GLANCE

FINANCIAL PARAMETERS

	2024-25 (%)	2023-24 (%)
Financial Performance		
Interest Income/ Total Income	90.19	96.28
Trading Income/ Total Income	9.23	3.19
Other Income/ Total Income	0.57	0.53
Interest Expense/ Total Income	78.29	89.51
Interest Expense/ Total Expense	95.97	95.26
Establishment Expense/ Total Expense	1.18	0.78
Admn and other Expense/ Total Expense	2.85	3.62
PBT/ Total Income	18.55	6.27
PAT/ Total Income	13.90	4.40
Human Assets		
Security Turnover per employee (Rs.Crore)	13,467.51	15,909.25
Profit before tax per employee (Rs.Crore)	5.65	1.80
Average Age of the employees (Years)	39.78	40.00
Per Share Data		
Earnings Per Share (Rs.)	12.95	3.86
Cash Earnings Per Share (Rs.)	8.73	-0.75
Book Value Per Share (Rs.)	84.30	72.96
Price Earnings, end of year (Rs.)	6.22	28.39
Price/ Cash Earnings, end of year (Rs.)	9.22	-146.79
Price/ Book Value, end of year (Rs.)	0.95	1.50
Dividend Per Share (Rs.)	1.00	1.00

Financial: Last 10 Years

(Rs. in Crore)

Financial Year(s)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
TOTAL INCOME	343.42	500.54	351.48	508.01	882.60	1,052.27	757.55	926.72	1,576.67	1,676.28
I Interest & Discount on Securities	359.06	313.74	400.81	493.58	766.46	778.83	970.73	1,221.63	1,518.04	1,511.90
II Profit/(Loss) on Sale of Securities	-16.90	185.50	-50.96	9.00	111.50	252.56	-234.09	-303.23	50.26	154.76
III Revenue & Other Income	1.26	1.30	1.63	5.43	4.64	20.88	20.91	8.32	8.37	9.62
EXPENDITURE	291.95	244.00	350.16	424.99	551.58	429.20	554.32	1,019.63	1,481.50	1,367.52
I Interest Expenses	275.62	225.72	330.72	403.44	519.26	394.81	510.43	972.88	1,411.32	1,312.41
II Operating & Other Expenses	15.86	17.94	18.95	21.13	30.87	32.50	42.73	45.39	54.81	51.69
III Depreciation on fixed assets & ROUA	0.47	0.34	0.49	0.42	1.45	1.89	1.16	1.36	15.37	3.42
IV Bad debts written off	-	-	-	-	-	-	-	-	-	-
Prov. Against overdue call lending	-	-	-	-	-	-	-	-	-	-
Exceptional items	-	-	-	-	81.22	8.73	-6.91	-7.85	-3.64	-2.20
PROFIT BEFORE TAX	51.47	256.54	1.32	83.02	249.80	614.34	210.14	-85.06	98.81	310.96
Less Prov. / (Release) for Taxation	16.98	89.37	-0.09	30.16	63.45	160.23	44.44	-7.84	29.40	77.93
PROFIT AFTER TAX	34.50	167.17	1.41	52.86	186.35	454.11	165.70	-77.22	69.41	233.03
PAID UP CAPITAL	180.01	180.01	180.01	180.01	180.01	180.01	180.01	180.01	180.01	180.01
RESERVES	551.67	718.84	677.06	707.66	862.52	1,136.36	1,247.29	1,079.99	1,149.75	1,365.19
NET WORTH	731.22	898.36	843.23	885.66	1,002.19	1,305.69	1,425.64	1,238.07	1,313.35	1,517.41
Turnover (Primary + Secondary)	413,787	686,167	473,384	471,198	856,706	680,347	598,484	713,988	875,009	740,713
Dividend(%)	11.00	25.00	10.00	14.00	30.00	100.00	50.00	-	10.00	10.00

NOTICE



PNB GILTS LIMITED

Regd. Office : 5, Sansad Marg, New Delhi - 110 001

Tel : 011-23325759, 23325779

Website - www.pnbgilts.com, **E-mail ID -** pnbgilts@pnbgilts.com

CIN : L74899DL1996PLC077120

Notice is hereby given that the 29th Annual General Meeting (AGM) of members of PNB Gilts Limited ("the Company") will be held on Wednesday, September 17, 2025, at 11:00 a.m. IST through Video Conferencing ("VC"), to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2025 and the Reports of the Auditors and the Board of Directors thereon.
2. To declare a final dividend of ₹1 per equity share of ₹10/- each for the year ended March 31, 2025.
3. To appoint a Director in place of Sh. Kalyan Kumar (holding DIN: 09631251), who is liable to retire by rotation and being eligible, offers himself for reappointment.
4. To authorize Board of Directors to fix remuneration of the Statutory Auditor(s) / Joint Statutory Auditors of the Company, as appointed by the Comptroller and Auditor General of India for the financial year 2025-26 and in this regard, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration of the Statutory Auditor(s) / Joint Statutory Auditors of the Company as appointed by the Comptroller and Auditor General of India for the financial year 2025-26."

SPECIAL BUSINESS

5. To appoint Secretarial Auditor of the Company for a period of five (5) years and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 204 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s), re-enactment(s) thereof for time being in force) read with Circulars issued thereunder from time to time, and based on the recommendation of the Audit Committee and the Board of Directors of the Company, the consent of members be and is hereby accorded for appointment of M/s Pranav Kumar & Associates, Practicing Company Secretaries (Firm Registration No.: P2005BI010400) as the Secretarial Auditor of the Company for a term of 5 (Five) consecutive years i.e. from Financial Year 2025-26 to Financial Year 2029-30, for the purpose of secretarial audit, at such remuneration and on such terms and

conditions as may be determined by the Board of Directors of the Company, from time to time, in consultation with the Secretarial Auditor.

RESOLVED FURTHER THAT the Board of Directors (including its committees(s) thereof) and/or the Company Secretary and/or Chief Financial Officer of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto”.

6. To appoint Sh. Pareed Sunil as the Managing Director and CEO of the Company and fix his remuneration for a period of three (3) years and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company and in accordance with the approval of the Reserve Bank of India vide its letter dated 19.06.2025, Sh. Pareed Sunil, having Director Identification Number (DIN) 11001150 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Sh. Pareed Sunil as a Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 152, 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable law, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of members of the Company be and is hereby accorded for appointment of Sh. Pareed Sunil (DIN : 11001150) as the Managing Director & CEO of the Company for a period of three (3) years w.e.f. June 19, 2025 to June 18, 2028, whose office shall be liable to retire by rotation and on the terms and conditions, including remuneration as specified in the explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company (herein referred to as 'Board' which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be authorized to revise/alter/modify and vary the terms and conditions of the appointment of Sh. Pareed Sunil including but not limited to remuneration, subject to the relevant provisions of the Companies Act, 2013 including Schedule V to the Companies Act, 2013 and Rules made thereunder and Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof) and other applicable laws, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

7. To approve existing as well as the new material related party transactions with promoter and its group companies/ associates and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any amendment, modification, variation or re-enactment thereof, the applicable provisions of the Companies Act, 2013 ('Act') read with Rules made thereunder, Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 and other applicable laws/statutory provisions, if any (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof) and upon the recommendation/ approval of Audit Committee/ Board of Directors, the approval of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include

the Audit Committee and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) for continuing and/or entering into and/ or carrying out, contract(s) or agreement(s) or arrangement(s) or transaction(s) (whether individual transaction or transactions taken together or series of transactions or otherwise) with the promoter (holding majority stake in the company) and/or associates of promoter, related parties within the meaning of Regulation 2(1)(zb) of Listing Regulations and other applicable statutory/regulatory provisions), as specified in the explanatory statement, whether by way of entering into new contract(s) / agreement(s) / arrangement(s) / transaction(s) or renewal(s) or extension(s) or modification(s) of earlier contract(s) / agreement(s) / arrangement(s)/ transaction(s) or otherwise on such terms and conditions as the Board may deem fit, for the financial year 2026-27 in excess of Rs. 1000 crores (Rupees One Thousand Crores) or ten per cent of the annual turnover of the Company as per last audited financial statements of the Company, whichever is lower or such amount as may be specified under applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution."

By Order of the Board of Directors



(Monika Kochar)

Company Secretary

FCS 6514

New Delhi
July 23, 2025

Regd. Off.: 5, Sansad Marg, New Delhi -110001

CIN: L74899DL1996PLC077120

E-mail: monika.kochar@pnbgilts.com

Website: www.pnbgilts.com

NOTES :

1. The Ministry of Corporate Affairs ('MCA') has, vide General Circular no. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, in relation to 'clarification on passing of ordinary and special resolutions by the companies under the Companies Act, 2013 and rules made thereunder on account of threat posed by Covid-19', General Circular No. 20/2020 dated 5th May, 2020, 10/2022 dated 28th December, 2022, 09/2023 dated September 25, 2023 and subsequent circulars issued in this regard, latest being 09/2024 dated September 19, 2024 in relation to "clarification on holding of annual general meeting (AGM) through video conferencing (VC) or Other Audio Visual Means (OAVM)", collectively referred to as ("MCA Circulars"), permitted companies to conduct Annual General Meeting ("AGM") through video conferencing ("VC"). In compliance with such MCA Circulars and applicable provisions of the Act, the AGM of the Company is being convened and conducted through VC. The facility of VC/OAVM and also casting votes by a member using remote e-Voting as well as venue e-Voting system on the date of the AGM will be provided by NSDL.
2. In compliance with aforesaid MCA Circulars and the Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/

CIR/P/2022/62 dated 13th May, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated 7th October, 2023 issued by Securities Exchange Board of India (collectively referred to as “SEBI Circulars”), the notice of the 29th AGM along with the Annual Report 2024-25 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the above said Notice and Annual Report 2024-25 will also be available on the Company’s website www.pnbgilts.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited (“NSDL”) <https://www.evoting.nsdl.com>. In case any member is desirous of obtaining hard copy of the notice of the 28th AGM along with the Annual Report 2024-25 of the Company, may send request to the Company’s email address at monika.kochar@pnbgilts.com mentioning Folio No./ DP ID and Client ID.

3. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-voting.**
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
5. All documents referred to in the Explanatory Statement along with Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, shall be available for inspection through a secured platform upon login at NSDL e-voting system at <https://www.evoting.nsdl.com/>.
6. The Company has fixed Wednesday, September 10, 2025 as the ‘Record Date’ for determining the entitlement of members to receive the Final Dividend for the Financial Year 2024-25, if declared at the 29th AGM of the Company.
7. The dividend, as recommended by the Board, if declared at the AGM, will be paid subject to deduction of tax at source within 30 days of such declaration to those members or their mandates whose names stand registered on the Company’s Register of Members
 - a) As Beneficial Owners as at the end of the business hours of Wednesday, September 10, 2025 as per the lists and details (including bank details) to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - b) As Members in the Register of Members of the Company as at the end of the business hours of Wednesday, September 10, 2025.
8. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf
9. Pursuant to the provisions of the Income Tax Act, 1961 (“the IT Act”), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source (“TDS”) from dividend paid to the members at rates prescribed in the IT Act. In general, to enable compliance with TDS requirements, members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participant(s) or in case shares are held in physical form, with the Company by sending email to the Company’s

email address at monika.kochar@pnbgilts.com. For further details, members may refer to the “Communication on TDS on Dividend Distribution” appended to this Notice of the 29th AGM.

10. Pursuant to Section 139 of the Companies Act, 2013 (‘the Act’), the Statutory Auditor(s) of the Company are appointed by the Comptroller and Auditor General of India (C&AG) and pursuant to Section 142 of the Act, the remuneration is to be fixed in the general meeting or in such manner as may be determined therein. The Statutory Auditor(s) of the Company for the FY 2025-26 are yet to be appointed by the C&AG. Accordingly, the members may authorize the Board to fix remuneration payable to Statutory Auditor(s), as may be deemed fit by the Board, for the financial year 2025-26.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
 - a) For shares held in electronic form: to their Depository Participants (DPs)
 - b) For shares held in physical form: to the Company/Share Transfer Agent (RTA) in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/SECFATF/P/ CIR/2023/169 dated October 12, 2023. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details. Members may also refer the Company’s website www.pnbgilts.com to Announcements Section in Investor Relations page for SEBI directions and the download section on home page of said website for downloading of various forms like form ISR-1, SH-13 etc. and to stay updated on such announcements.

Contact details of Share Transfer Agent of the Company is as under:

MCS Share Transfer Agent Ltd.
 (Unit - PNB Gilts Ltd.)
 179-180, 3rd Floor, DSIDC Shed,
 Okhla Industrial Area, Phase-I,
 New Delhi - 110020.
 Ph:- 011-4140 6149, 4140 6150, 4140 6151
 Email :- helpdeskdelhi@mcsregistrars.com

12. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants (“DP”) in case the shares are held by them in electronic form and with MCS Share Transfer Agent Ltd. in case the shares are held by them in physical form. For temporary registration of email for the purpose of receiving of this notice along with annual report for 2024-25 members may write to monika.kochar@pnbgilts.com along with requisite proof of his/her membership.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company, of any change in address or demise of any member as soon as possible and in case shares are in physical form. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at <https://www.pnbgilts.com/downloads>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
15. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or MCS Share Transfer Agent Ltd., for assistance in this regard.

16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MCS Share Transfer Agent Ltd., the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
17. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://www.pnbgilts.com/downloads>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to MCS Share Transfer Agent Ltd. in case the shares are held in physical form.
18. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly, transferred ₹ 23,32,840/- being the unpaid/ unclaimed dividend amount pertaining to Final Dividend 2016-17 during FY 2024-25.

Details of the unpaid/ unclaimed dividend are also uploaded on the Company's website www.pnbgilts.com. Members who have not encashed Final Dividend 2017-18 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Members, whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or MCS Share Transfer Agents Ltd. and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/or shares available on www.iepf.gov.in. For details, please refer to Corporate Governance Report which is a part of this report.

All the shareholders who have not claimed / encashed their dividends in the last seven consecutive years from 2017-18 are again advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

19. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/191 dated December 20, 2023 and Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023, has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed from the Company's website at https://www.pnbgilts.com/uploads/announcement/ODR_Link.pdf
20. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.
21. Details given in Annexure, as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and Secretarial Standard on General Meeting (SS-2) of the Institute of Company Secretaries of India ("ICSI"), in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of this Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
22. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

23. NON-RECEIPT OF DIVIDEND

The Company has received back some undelivered envelopes containing dividend warrants in the past due to various reasons. As such, shareholders who have not received dividend(s) of previous years, are requested to contact the Company by giving details like Folio No./DP ID & Client ID, Address, Contact No. etc. Please refer 'Report on Corporate Governance' section for detailed explanation/procedure.

24. Instructions for e-voting and joining the AGM are as follows -

a. VOTING THROUGH ELECTRONIC MEANS

- I In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II The remote e-voting period commences on September 13, 2025 (9:00 a.m.) and ends on September 16, 2025 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 10, 2025, may cast their vote by remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III A person, who is not a member as on the cut-off date, should treat this Notice for information purpose only.
- IV Mr. Nitesh Latwal, Practising Company Secretary bearing CP No. 16276, and failing him, Mr. Ajay Khandelwal, Practising Company Secretary bearing CP No. 18606, Partners of PI & Associates will act as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- V The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
- VI The voting/remote e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
- VII Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date shall follow the same procedure for e-Voting as mentioned below.
- VIII The process and manner for remote e-voting as well as e-voting during the AGM are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below :

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest, they can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a evoting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be will be able to see the e-Voting option where the evoting is in progress and able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to log in to the NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the meeting and vote, to the Scrutinizer by e-mail to nitesh@piassociates.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in. In case of any grievances connected with facility of evoting, please contact Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., 3rd Floor, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051 at the designated email address: evoting@nsdl.com or at telephone no. +91 22 48867000.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to helpdeskreply@mcsregistrars.com
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested

scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to helpdeskreply@mcsregistrars.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

- c. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- d. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. The Members can join the AGM in VC mode 30 minutes before and after the scheduled time of the commencement of AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoter, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at monika.kochar@pnbgilts.com. The same will be replied by the company suitably.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT

1. As the AGM is being conducted through VC, members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at monika.kochar@pnbgilts.com to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company on or before Wednesday, September 10, 2025 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
 2. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at monika.kochar@pnbgilts.com on or before Wednesday, September 10, 2025. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM.
 3. Members who could not have registered themselves as a speaker or send their queries can ask questions during the AGM by using communication box facility that will be appearing on the screens at the AGM.
 4. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, depending on the availability of time for the AGM or for smooth conduct of the AGM.
22. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting and shall make, not later than 2 working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting.
23. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.pnbgilts.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited.

ANNEXURE TO NOTICE

PART I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

Item No. 5

In accordance with Section 204 of the Companies Act, 2013 read with rules made thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), every listed entity is required to undertake Secretarial Audit by a Peer Reviewed Secretarial Auditor who shall be appointed by the Members of the Company, at the Annual General Meeting, on the recommendation of the Board of Directors, for a period of five consecutive years.

The Board of Directors at its meeting held on July 23, 2025, based on the recommendation of the Audit Committee and subject to approval of the shareholders, appointed M/s. Pranav Kumar & Associates, Practicing Company Secretaries (Firm Regn. No.: P2005BI010400)(Peer review No. 1035/2020) as Secretarial Auditor of the Company for a term of five (5) consecutive years i.e. from Financial Year 2025-26 to Financial Year 2029-30.

M/s. Pranav Kumar & Associates is a firm of Practicing Company Secretaries founded in the year 2000 as a proprietorship concern. However, in year 2006 under the regulations of ICSI it was converted into Partnership firm. The said firm is primarily engaged in providing professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations, legal compliance, due diligence, secretarial audits etc. for various reputed companies. The firm is Peer Reviewed by the Institute of the Company Secretaries of India.

M/s. Pranav Kumar & Associates have given their consent to act as the Secretarial Auditor of the Company and have confirmed that their appointment, if made, will be within the limit specified under the Companies Act, 2013, SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable laws including circulars and/or guidance issued thereunder. They have also confirmed that they are not disqualified to be appointed as secretarial auditors in terms of the provisions of Section 204 of the Companies Act, 2013, and the Rules made thereunder, read with Regulation 24A of the Listing Regulations and other applicable Regulations.

The proposed remuneration to be paid to the said firm for conducting the secretarial audit and for issuing the (i) Secretarial Audit Report; (ii) certificate of compliance of conditions of Corporate Governance; and (iii) Annual Secretarial Compliance Report for the financial years 2025-26 to 2029-30 is Rs. 1.50 lakhs (Rupees One lakh and fifty thousand per annum) plus applicable taxes and the said fee shall be subject to revision at the end of every two years to reasonably account for inflation and rising operational costs, as may be agreed by the Board of Directors of the Company and the Secretarial Auditor.

Based on the recommendations of the Audit Committee, the Board of Directors have approved and recommended the aforesaid proposal for approval of members taking into account the eligibility of the firm’s qualification, experience & expertise of the partners in providing secretarial audit related services, competency of the staff and Company’s previous experience based on the evaluation of the quality of audit work done by them in the past.

Accordingly, consent of the Members is sought for approval for the aforesaid appointment of the Secretarial Auditors. The Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives (except to the extent of their shareholding in the Company, if any) are concerned or interested, financially or otherwise, in this Resolution.

Item No. 6

Sh. Pareed Sunil joined PNB in 1992, and since then, he has gained rich experience in banking industry, ranging from administrative offices, HR, Treasury, International Banking, Credit Management, Risk Assessment and Compliance. His extensive experience spans both domestic and international markets, including significant assignments in India and at PNB’s Hong Kong branch and London subsidiary back office operations. He joined PNB Gilts Ltd. on deputation from Punjab National Bank, the parent bank, as a Deputy Chief Executive Officer on August 1, 2023. His strategic vision and operational acumen have been instrumental in driving PNB Gilts Ltd. towards sustained growth and excellence.

Subsequently, based on the recommendation of the Nomination and Remuneration Committee, and pursuant to the provisions of Sections 161(1), 196, 197 and 198 of the Companies Act, 2013 (“the Act”), applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Articles of Association of the Company and after evaluating the skills, experience, expertise, knowledge of Sh. Pareed Sunil, the Board of Directors at their meeting held on February 26, 2025, has appointed Sh. Pareed Sunil, Deputy Chief Executive Officer as an Additional Director with the designation ‘Managing Director & CEO’ (Key Managerial Personnel) of the Company for a period of 3 years, effective from the date of receipt of approval from the Reserve Bank of India or allotment of Director Identification Number (DIN) by Ministry of Corporate Affairs (MCA), whichever is later, subject to the requisite sanction of the members of the Company.

The Ministry of Corporate Affairs allotted DIN to Sh. Pareed Sunil on March 13, 2025 and the Reserve Bank of India vide its letter dated June 19, 2025 conveyed its approval for the appointment of Sh. Pareed Sunil on the Board of Directors of PNB Gilts Ltd. Accordingly, Sh. Pareed Sunil (DIN: 11001150) is the Additional Director designated as the Managing Director & CEO of the Company with effect from the date of receipt of approval from the Reserve Bank of India, i.e. June 19, 2025 on the following terms and conditions:

- The tenure of Sh. Pareed Sunil, Managing Director & CEO shall be initially for 3 years effective from the date of receipt of approval from RBI or the date of allotment of DIN, whichever is later. The tenure can be extended further, if required by the Board, depending upon his performance and requirements of the Company.
- The Managing Director & CEO shall be vested with powers of management of the Company subject to the supervision and control of the Board of Directors and shall also perform such duties and services as shall

be entrusted to him, from time to time, by the Board.

- The remuneration and other terms and conditions of Sh. Pareed Sunil shall be governed by the provisions / Service Regulations of Punjab National Bank and any modifications, revision therein, including revision on account of promotion in his cadre that may take place from time to time, subject to the limits prescribed under Schedule V of the Companies Act, 2013.
- Subject to the aforesaid, the present salary, allowances and other perquisites of Sh. Pareed Sunil as advised by Punjab National Bank is as under:

1. Basic Pay (p.m.)	Rs. 140500-4000(4)-156500
2. Present Pay (Basic)	Rs. 156500/- p.m.
3. Leased Accommodation	As per his entitlement in PNB (at present the entitlement is Rs. 74000/- p.m. and he is availing it at Rs. 43000/- p.m.
4. Fixed Personal Pay	Rs. 3954/- p.m.
5. Dearness Allowance (DA)	As per rates applicable for PNB officers. At present, Rs. 33,904/- p.m.
6. City Compensatory Allowance	Rs. 2300/- p.m.
7. Deputation Allowance	4% of Pay with a maximum of Rs. 3750/- p.m.
8. Special Allowance	31.50% of Basic Pay and applicable DA thereon. At present, Rs. 57852/- p.m.
9. Professional Qualification Pay	At present 3425/- p.m. (w.ef. 01.04.2025- Rs. 5480/- p.m.)
10. Learning Allowance	Rs. 850/- p.m. alongwith applicable DA thereon. At present, Rs. 1030/- p.m.

- Other allowances and perquisites:
 - a) Provided with furniture at residence as per prescribed limits on payments of further sum equal to 0.075 % of the pay in the first stage of the scale of pay.
 - b) Conveyance Allowance: Company's car facility with driver for official purpose with the facility of personal use upto 3000 k.m. every half year on payment of Rs. 150/- p.m. for such use. For use beyond 3000 k.m. every half year, he shall be required to pay to the Company at the end of the half year Rs. 3.50/- per k.m. Journeys from residence to office and back is being treated as duty runs.
 - c) Provident Fund: Contribution to the recognized Provident Fund Trust 10% of the Pay with equal contribution by the employer.
 - d) Leave Travel Concession:
 - During each block of four years, he shall be eligible for leave travel concession for travel to his home town once in every block of two years. Alternatively, he may travel in one block of two years to his home town and in the other block to any place in India by the shortest route.
 - Once in block of four years, at the time of availing leave travel concession, he may be permitted to surrender and encash privilege leave not exceeding one month at a time. For the purpose of such encashment, all emoluments payable for the month during which the availment of Leave Travel Concession commences shall be admissible.
 - He may travel by train AC 1st Class by any train including premium train or by Air (Economy Class).
 - He may travel by car between places not connected by Air or Rail provided that the distance does not exceed 500 kms. However, when the major part of the distance between the two places can

be covered by air or rail, only the rest of the distance should normally be covered by car.

- Alternatively, he may, by exercising an option anytime during a four year block or two year block, as the case may be, surrender and encash his LTC (other than travel to place of domicile) upon which he shall be entitled to receive an amount equivalent to the eligible fare for the class of travel by train to which he is entitled upon a distance of 6500 kms (one way). If he opts to encash his LTC, he shall prefer the claim for himself and his family members only once during the block / term in which such encashment is availed of. The facility of encashment of privilege leave while availing of LFC is also available while encashing the facility of LFC.
- e) Telephone, Newspaper, Entertainment, Medical Aid & Insurance, leave encashment, leaves, and other facilities, modes of travel etc. shall be as per service regulations of PNB.
- f) Benefits like gratuity and pension shall be in accordance PNB Rules applicable time to time.

In addition, Sh. Pareed Sunil may be paid a performance-linked incentive in accordance with the PLI policy of PNB (parent bank), as may be applicable from time to time

His increments shall be released in accordance with the Service Regulations of PNB.

In the event of absence or inadequacy of profits of the Company in any financial year during the period of Sh. Pareed Sunil's appointment, the Company shall pay the above remuneration as minimum remuneration in compliance with the provisions of the Companies Act, 2013.

He shall not be entitled to any sitting fee for attending the meetings of the Board of Directors of the Company or any committee or sub-committee thereof.

He will be liable to retire by rotation.

He is the Key Managerial Personnel of the Company.

In terms of the provisions of Section 161(1) of the Act, Sh. Pareed holds office as such only up to the date of ensuing Annual General Meeting of the Company or the last date on which the ensuing Annual General Meeting should have been held, whichever is earlier.

It is pertinent to note that as per Section 196 and 197 of the Act the appointment and remuneration of Managing Director shall be approved by the shareholders of the Company and further the amendment to Regulation 17(1C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, provides that the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. This is effective from 01.01.2022.

The Company has received all statutory disclosures / declarations from Sh. Pareed Sunil, including consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014 ("the Appointment Rules"), Further, Sh. Pareed Sunil satisfies all the conditions set out in Part – I of Schedule V to the Act and also the conditions set out under Section 196(3) of the Act for being eligible for her appointment. He is not disqualified from being appointed as Director in terms of Section 164 and 196 of the Act and has given his consent to act as Director. Further, he is not debarred from appointment by any order of SEBI or any other authority.

The remuneration details and terms and conditions as set hereinabove may be treated as a written memorandum setting out the terms of appointment pursuant to Section 190 of the Act.

Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) in respect of his appointment is given in Part II of the Annexure to the Notice.

Accordingly, the Board commends the resolution set forth in Item No. 6 for the approval of members.

Except for Sh. Pareed Sunil, none of the directors or Key Managerial Personnel of the Company/ their relatives (to the extent of their shareholding in the Company, if any) are in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 6 in the Notice.

Item No. 7

The members of the Company are hereby apprised that the Securities and Exchange Board of India ('SEBI'), vide its notification dated November 09, 2021, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As per the threshold referred in said circular, all related party transactions in excess of Rs. 1000 crores (Rupees One thousand crores) or 10% (ten per cent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity shall be deemed to be Material Related Party Transaction and shall require prior approval of members of listed entity.

Such approval shall be required even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

It is pertinent to note that the Company is a Primary Dealer registered with the Reserve Bank of India. As a Primary Dealer, Company's primary activities involve underwriting of government securities issuances and trading in a gamut of fixed income instruments such as Government Securities, Treasury Bills, State Development Loans, Corporate Bonds, Interest Rate Swaps and various money market instruments such as Certificates of Deposits, Commercial Papers etc.

As part of its business activities as a Primary Dealer, the Company in the ordinary course of its business undertakes transactions, but not limited to dealing in outright securities transactions or money market transactions or primary subscription transactions with related parties as mentioned in the resolutions. In order to support such transactions and other business activities, the Company also avails line of credit and enter into other transactions related to banking services, current account and demat account services, leasing of property for office premises, constituent services and arranger services etc. with its related parties.

In view of (a) business potential of both the Company itself and the related party(ies); and (b) also the organic and inorganic growth of related party(ies), the Company intends to carry out new/renew such related party transactions in the coming financial year 2026-27. These related parties have great synergy with each other as the nature of business is same and this business is expected to grow in future also at a healthy rate. The securities market is expected to become larger in the coming years and the financial sector is expected to participate in this growing pie at an accelerated pace. It is expected that during the coming financial years 2026-27, the related party transactions proposed to be executed with said related parties will exceed the threshold limit of rupees one thousand crore or ten per cent of the annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower and accordingly, as per Regulation 23 of the Listing Regulations, the prior approval of the members is being sought. Being a Primary Dealer, the Company also acts as an Arranger to various issues of securities of different entities (related or non-related) and earns fee income from the same. The Company has also taken business premises on lease/rent sharing/arrangement basis and few employees from PNB, leveraging its assets base pan India. Bank accounts and demat accounts are also being maintained with PNB as part of normal banking services.

All such related party transactions entered by the Company are related to the day to day business operations of the Company and essential for its activities and are in the ordinary course of business of the Company.

So far as pricing is concerned, all the transactions meets the arm's length criteria.

However, in case any transaction, which is not at arm's length basis, the requisite compliance of the provisions of the Companies Act, 2013 is ensured by the Audit Committee and Board of Directors.

The details of relevant transactions entered into by the Company with such related parties during FY 2024-25, are given hereunder for reference of the members:

(Rs. In crore)

Transaction Type	Punjab National Bank, Promoter of the Company holding majority stake (A)	Dakshin Bihar Gramin Bank (now known as Bihar Gramin Bank), Associate of A	Sarva Haryana Gramin Bank, Associate of A	Punjab Gramin Bank, Associate of A	Himachal Pradesh Gramin Bank, Associate of A
Outright securities transactions including charges and income from constituent	3555.62	2177.86	345.94	589.16	135.87
Money market transactions including charges and income from constituent	-	-	-	-	-
Primary Subscription	-	-	-	-	-
Line of Credit (including Over Draft and Intraday) Facility including interest	2118.54	-	-	-	-
Security Arranger services	-	-	-	-	-
Bank Charges/ processing fee (Bank accounts / LOC)	2.73	-	-	-	-
Fixed deposits and other banking services along with accrued interest plus bank balance	202.21	-	-	-	-
Mutual sharing of premises for holding meetings etc.	-	-	-	-	-
Management contracts including for deputation of employees	0.28	-	-	-	-
Leasing of property (business premises/ residential premises) under agreement/ contract/ arrangement basis	2.27	-	-	-	-
Royalty Fee	2.46	-	-	-	-
Such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	-	-	-	-	-
TOTAL	5884.11	2177.86	345.94	589.16	135.87

Transaction Type	Assam Gramin Vikash Bank, Associate of A	Tripura Gramin Bank, Associate of A	Bangiya Gramin Vikash Bank, (now known as West Bengal Gramin Bank) Associate of A	PNB Housing Finance, Associate of A
Outright securities transactions including charges and income from constituent	173.26	10.46	663.56	99.82
Money market transactions including charges and income from constituent	-	-	5661.32	-
Primary Subscription	-	-	-	-
Line of Credit (including Over Draft and Intraday) Facility	-	-	-	-
Security Arranger services	-	-	-	-
Bank Charges/ processing fee (Bank accounts / LOC)	-	-	-	-
Fixed deposits and other banking services	-	-	-	-
Mutual sharing of premises for holding meetings etc.	-	-	-	-
Management contracts including for deputation of employees	-	-	-	-
Leasing of property (business premises/ residential premises) under agreement/ contract/ arrangement basis	-	-	-	-
Royalty Fee	-	-	-	-
Such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	-	-	-	-
TOTAL	173.26	10.46	6324.88	99.82

1. The details of proposed transaction for which approval(s) is being sought are provided below:

(Rs. In crore)

Sl. No.	Particulars of Related Party	Details of Transaction	Period of transaction	Maximum amount of transaction for which approval is sought (% of company's annual turnover as on 31.03.2025)	Pricing Criteria
1	Punjab National Bank, Promoter of the Company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, placing of fixed deposits, Security Arranger services, Bank Charges/ processing fee (related to bank accounts/ demat accounts / Line of credit facility), leasing of property (business premises/ residential premises) under agreement/ contract/arrangement basis, mutual sharing of premises for holding meetings etc., management contracts including for deputation of employees, and other banking services and also such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	30600 (8.33%)	Outright securities transactions/ money market transactions/primary subscription transactions will be done as per the prevailing market price/fair value of securities. Security Arranger services will be provided as per the requirements of the Issuer of the relevant security at the time of issuance at Secondary market price or Cut Off Price/Rate at Electronic Bidding Platform (EBP) of Stock Exchange(s). Fixed deposits will be placed as per card rates of bank or its clients (related or non-related). Similarly, bank charges or processing fee will be paid as per card rate of the bank for its clients (related or non-related) or as may be decided at the time of execution of line of credit facility contract(s) / agreement(s) with the bank. Leasing of property/ mutual sharing of premises/ management contracts/other banking services/such other transactions will be carried out as per the prevailing market price or as may be approved by the Audit Committee / Board from time to time.
		Royalty Fee for usage of brand/logo as well as incidental expenses thereto		0.2% of Revenue of the Licensee on the basis of its last standalone audited financial statements, or	Trademark Agreement(s) including any addendum or supplement thereto entered into or as may be approved by the Audit Committee / Board from time to time.

				2% of Profit after Tax (PAT) of the PNB Gilts Ltd. on the basis of its last standalone audited financial statements, whichever is higher, subject to cap on royalty fee. Cap on Royalty fee shall be lower of the following: 3% of PAT or Rs. 30 Crore. (0.0015%)	
		Line of Credit (including Over Draft and Intraday) Facility		Not exceeding overall limit of Rs. 3000 crore at any point of time (0.82%)	Agreement(s)/Contract (s)/ Deed(s) etc. including any addendum or supplement thereto will be entered into after obtaining comparative quotes from other banks and negotiations thereon to keep the terms and conditions competitive.
2	Bihar gramin bank (earlier known as Dakshin Bihar Gramin Bank) associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	40000 (10.89%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents, whether related or non-related entity, will be as per Business Policy of the Company.
3	Sarva Haryana Gramin Bank, associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	15000 (4.09%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents, whether related or non-related entity, will be as per Business Policy of the Company.

4	Punjab Gramin Bank, associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	15000 (4.09%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents ,whether related or non-related entity, will be as per Business Policy of the Company.
5	Himachal Pradesh Gramin Bank, associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	9000 (2.45%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents ,whether related or non-related entity, will be as per Business Policy of the Company.
6	Assam Gramin Vikash Bank, associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	40000 (10.89%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents, whether related or non-related entity, will be as per Business Policy of the Company.
7	Tripura Gramin Bank, associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	15000 (4.09%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents ,whether related or non-related entity, will be as per Business Policy of the Company.

8	West bengal gramian bank (earlier known as Bangiya gramian vikas bank), associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Money market transactions, Primary Subscription, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	40000 (10.89%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents, whether related or non-related entity, will be as per Business Policy of the Company.
9	PNB Housing Finance Ltd., associate of Punjab National Bank, promoter of the company holding majority stake	Outright securities transactions, Primary Subscription, security arranger services, charges/income from constituent and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant financial year	FY 2026-27	6100 (1.66%)	Transactions will be carried out as per the prevailing market price/fair value of securities or as may be approved by the Audit Committee / Board from time to time. Charges for services to constituents, whether related or non-related entity, shall be as per Business Policy of the Company. Security Arranger services will be provided as per the requirements of the Issuer of the relevant security at the time of issuance at Secondary market price or Cut Off Price/Rate at Electronic Bidding Platform (EBP) of Stock Exchange(s).

Notes:

1. Taxes, if any, in relation to the above transactions will be paid on actual basis
2. It is also noted that as a part of money market transactions, the company may do reverse repo lending or call/notice/term money lending with the above referred related parties either to cover its short position in securities or out of the surplus funds available with it. However, the tenure, interest rate and other terms and conditions of the same will be decided on the basis of prevailing market conditions or as may be approved by the Audit Committee/Board from time to time, in accordance with the business policy of the Company and applicable laws.

Justification for entering into such related party transactions:

- (a) The Company being a Primary Dealer, the bulk of its transactions with related parties are in the form of dealing in outright securities transactions or money market transactions or primary subscription transactions. The said transactions are undertaken on regulated platforms at market place, since the related parties of the Company also undertaken similar transactions on the said platforms, therefore in the ordinary course of business, the Company executes such transactions with its related parties.

- (b) The Company has great synergy with its related parties, as the nature of business is same and this business is expected to grow in future also at a healthy rate. The securities market is expected to become larger in the coming years and the financial sector is expected to participate in this growing pie at an accelerated pace.
- (c) Punjab National Bank, Promoter cum majority shareholder of the Company, is one of the leading scheduled banks in India. This helps the Company in availing credit line(s) and other banking facilities on competitive terms along with ease of convenience, which helps the Company to execute business transactions much more efficiently. Further pan India presence of PNB also facilitates usage of its infrastructure for smooth business operations of the company.

The Company has a robust and well-defined structured governance process with respect to related party transactions. The Concurrent Auditor of the Company are responsible for regular monitoring of such related party transactions including the pricing criteria, arms' length relationship etc. with requisite reporting to the Audit Committee, which further reviews the same.

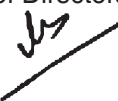
It is also pertinent to note that the Audit Committee, on the basis of information provided hereinabove, has recommended/approved the said related party transactions. Further, in case of any material modification in the aforementioned related party transactions, the approval of members of the Company shall be taken in accordance with "SOP/Policy on Related Party Transactions" of the Company and the Listing Regulations.

The Board of Directors has also recommended the members for passing of the resolution set-out under Item No. 7 of the Notice as an Ordinary Resolution.

Except (i) Punjab National Bank, promoter-cum-majority shareholder (74.07% stake) of the Company and concerned related party to the transaction; and (ii) Sh. Kalyan Kumar, Non-Executive & Non-Independent Chairman, Sh. Amit Kumar Srivastava, Non-Executive & Non-Independent Director and Sh. Pareed Sunil, Managing Director & CEO on the Board of PNB Gilts Limited and Sh. Chandra Prakash, Chief Financial Officer of the Company who are Executive Director, Chief General Manager, Deputy General Manager and Chief Manager in Punjab National Bank respectively and who are nominated by the former in the Company, none of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolutions as set out at Item No. 7 of this Notice except to the extent of their employment in the Company and their shareholding in the Company, if any.

The Members may please note that in terms of the provisions of the Listing Regulations, related party(ies) shall abstain from voting in favour of the resolutions under Item No. 7.

By Order of the Board of Directors



(Monika Kochar)
Company Secretary
FCS 6514

New Delhi
July 23, 2025

Regd. Off.: 5, Sansad Marg, New Delhi -110001
CIN: L74899DL1996PLC077120
E-mail: monika.kochar@pnbgilts.com
Website: www.pnbgilts.com

Part II – PURSUANT TO REGULATION 36(3) OF LISTING REGULATIONS AND IN TERMS OF SECRETARIAL STANDARDS ON GENERAL MEETING (SS-II) ISSUED BY THE INSTITUTE OF COMPANIES SECRETARIES OF INDIA, BRIEF PARTICULARS OF THE DIRECTORS TO BE APPOINTED/ RE-APPOINTED ARE AS UNDER:

Name of Director	Kalyan Kumar	Pareed Sunil
Date of Birth (Age)	10/01/1969 (56)	20/06/1971 (54)
Nationality	Indian	Indian
Date of first Appointment on Board of Company	07/07/2022	19/06/2025
Qualifications	Post graduate in Science from Rajendra Prasad Agriculture University, Pusa. Certified Associate Member of Indian Institute of Bankers. Hold various certifications in Trade Finance, IT Security and KYC-AML from Indian Institute of Banking and Finance.	MBA finance, Post graduate program in banking and finance from the National Institute of Bank Management, Pune, and is a Certified Associate of the Indian Institute of Bankers.
Resume/Experience/Expertise in Specific functional Area, in brief	He is an Executive Director of Punjab National Bank since October 2021. He served Union Bank of India for 26 years in various capacities as Branch Head of VLBs, faculty at Staff Training Centers, Staff College Principal, stint in Vigilance and Business Process Transformation and Amalgamation Management. His experience and contribution is spread across multiple domains of Branch Banking, Credit and MSME, Vigilance, Business Process Re-engineering and Analytics, Amalgamation Management and Human Resource Management including Learning and Development and Talent Management.	He has worked in PNB group for more than three decades in the field of Treasury, Compliance, International Banking, Risk Management, Human Resources and Credit Management etc. spanning both domestic and international markets. He is with PNB Gilts Limited since August 1, 2023 as Deputy CEO (Prior to appointment as MD and CEO).
Directorship held in other Companies	- Executive Director, Punjab National Bank - Chairman of PNB Cards & Services Ltd. - Director of India Infrastructure Finance Company Ltd.	Nil
Chairperson / Member of the Committee of the Board of Directors of the Company	Nil	Nil

Membership/ Chairmanship of Committee of other Companies	- Member of the following Committees at Punjab National Bank - - Management Committee - Head Office Credit Approval Committee (Level III) (HOCAC-III) - IT Strategy Committee - Customer Service Committee - Committee of the Directors to review Vigilance and Non-Vigilance/Disciplinary Action cases - Business Review Committee - Capital Raising Committee of Board - Stakeholders Relationship Committee - Steering Committee of the Board on HR - Member of the following Committees of India Infrastructure Finance Company Ltd. – - Audit Committee - IT Strategy Committee - Risk Management Committee - Management & Investment Committee - Remuneration & Nomination Committee	Nil
Number of Board/ Committee meetings attended during the year 2024-25	Details are provided in the Corporate Governance section of Annual Report 2024-25.	Not applicable.
Number of Shares Held either directly or for beneficial basis for any other person	Nil	Nil
Terms & Conditions of Appointment/ Reappointment including remuneration sought to be paid	Non-Executive & Non-Independent Director, liable to retire by rotation. Other terms and conditions including remuneration, if any, regulating his appointment shall be determined by the promoter i.e. PNB.	His tenure as Managing Director & CEO is for 3 years effective from 19.06.2025 and his office is liable to retire by rotation in terms of Section 152 of the Companies Act, 2013. The details of his terms of appointment, including remuneration, are given in the explanatory statement given in this Notice.

Remuneration last drawn	Nil	Details are in the explanatory statement given in this Notice.
Relationship with other Directors, Manager and KMPs of the company	Nil	Nil
Name of listed entities from which the person has resigned in the past three years as Director	Nil	Nil

(Refer Note 9 of the Notice of the 28th AGM)

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Pursuant to the provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the IT Act. Please take note of the below TDS provisions and information/ document requirements for each member:

Section 1: For all Members - Details that should be completed and/or updated, as applicable

a. All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by Wednesday, September 10, 2025 ("Record Date"). Please note that these details as available on Record Date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the Act i.e. Resident or Non-Resident for FY2025-26.
- III. Category of the Member:
 - i. Mutual Fund
 - ii. Insurance Company
 - iii. Alternate Investment Fund (AIF) Category I and II
 - iv. AIF Category III
 - v. Government (Central/State Government)
 - vi. Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII) : Foreign Company
 - vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
 - viii. Individual
 - ix. Hindu Undivided Family (HUF)
 - x. Firm
 - xi. Limited Liability Partnership (LLP)
 - xii. Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
 - xiii. Trust
 - xiv. Domestic company
 - xv. Foreign company.
- IV. Email Address.
- V. Address.

Section 2: TDS provisions and documents required, as applicable for relevant category of Members

Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by the Record Date their respective category, in order to comply with the applicable TDS provisions.

I. For Resident Members:

- i. **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

- ii. **Insurance companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self- attested copy of valid IRDA registration certificate needs to be submitted.
- iii. **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- iv. **Recognised Provident funds:** No TDS is required to be deducted as per Circular No. 18/2017 subject to specified conditions. Self- attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
- v. **Approved Superannuation fund:** No TDS is required to be deducted as per Circular No. 18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.
- vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No. 18/2017 subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.
- vii. **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.
- viii. **Government (Central/State):** No TDS is required to be deducted as per Sec196(i) of the IT Act.
- ix. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.
- x. **Other resident Members:**
 - a) TDS is required to be deducted at the rate of 10% under u/s 194 of the IT Act.
 - b) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).
 - c) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the member is not available and if PAN is blank in case of resident individuals without considering the threshold limit of Rs. 10,000/-.
 - d) In accordance with provisions of the income tax act,1961, tax shall be deducted at source from the dividend amount at rate of 20% where shareholder's PAN is inoperative i.e. Aadhaar and PAN is not linked as per the Compliance Check Utility made available by Central Board of Direct Taxes.
 - e) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

II. For Non-resident Members:

- i. **Any entity entitled to beneficial rate/ exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to beneficial rate/exemption from TDS needs to be submitted.
- ii. **Other non-resident Members:**
 - a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act (For FPI and FII) and u/s 195 of the IT Act for other non-resident members.
 - b) Member may be entitled to avail lower TDS rate as per Agreement for Avoidance of Double Taxation(DTAA) between India and the country of tax residence of the member, on furnishing the below specified

documents:

1. Self-attested copy of PAN. In case PAN is not available, provide details as per Rule 37BC of the Income-Tax Rules, 1962.
 2. Self-attested copy of valid Tax Residency Certificate (TRC) for the FY 2025-26 obtained from the tax authorities of the country of which the member is a resident;
 3. Self-declaration in Form 10F for the FY 2025-26; and
 4. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure 1 to this Communication).
- c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and/or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach monika.kochar@pnbgilts.com by Record Date. Please note that no communication in this regard, shall be accepted post Record Date.

Section 3: Other general information for the Members:

- I. For all self-attested documents, members must mention on the document “certified true copy of the original”. For all documents being sent/ accepted by email, the Member undertakes to send the original document/s on the request by the Company.
- II. TDS will be deducted based on details of registered member only. Once TDS is deducted in the name of Registered of Members/Beneficial Owners as appearing on Record Date, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
- III. TDS deduction certificate will be sent to the members’ registered email address in due course.
- IV. Surcharge will also be deducted at the highest rate.
- V. Health and Education Cess of 4% is applicable for non-residents.
- VI. Equity shares of the Company, which were transferred by the Company in the name of Investor Education and Protection Fund (‘IEPF’) in terms of Section 124(6) of the Companies Act 2013 and Rules framed thereunder, the TDS shall be deducted basis the available details of the underlying members.
- VII. Application of TDS rate is subject to necessary due diligence and verification by the Company of the member details as available in register of members on the Record Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/ documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- VIII. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.
- IX. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Note:

Above communication on TDS sets out the provisions of law in a summary manner only, as on the date of the communication, and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

(Refer Section 2(II)(ii)(b)(4) of above Communication on TDS on Dividend Distribution)

Annexure 1

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Date:

To

PNB Gilts Limited

5, Sansad Marg, New Delhi-110001 Email: monika.kochar@pnbgilts.com

Subject: Declaration for eligibility to claim benefit under Agreement For Avoidance Of Double Taxation between Government of India and Government of <mention country of tax residency> (“DTAA”), as modified by Multilateral Instrument (“MLI”), if applicable

With reference to above, I/We wish to declare as below

1. I/We, <Full name of the member>, having permanent account number (PAN) under the Indian Income tax Act,<mention PAN>, and holding <mention number of shares held> number of shares of the Company under demat account number/ folio number as on the record date, am/are a tax resident of <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a ‘resident’ of India under section 6 of the Indian Income-tax Act, 1961 (“the IT Act”). A copy of the valid tax residency certificate for <period>, which is valid as on the Record Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment (“PE”) in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any, carried out in India.
7. I/We confirm that my affairs/affairs of <Full name of the member> were arranged such that the main purpose or the principal purpose thereof was not to obtain tax benefits available under the applicable tax treaty.
8. Further, our claim for relief under the tax treaty is not restricted by application of Limitation of Benefit clause, if any, thereunder.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/documents that may be necessary and co-operate in any proceedings before any income tax/ appellate authority.

For

<Mention the name of the payee>

Authorised Signatory

<Name of the person signing>

<Designation of the person signing>

OUR STRENGTHS



**COMPANY SECRETARY &
CHIEF COMPLIANCE OFFICER**
Ms. Monika Kochar

**CHIEF FINANCIAL OFFICER &
CHIEF INFORMATION SECURITY OFFICER**
Mr. Chandra Prakash

STATUTORY AUDITORS
Batra Deepak & Associates
S-517, 2nd Floor, School Block,
Shakarpur, Delhi - 110092

CONCURRENT AUDITOR
Grant Thornton Bharat LLP
6th Floor, Worldmark 2,
Aerocity, New Delhi - 110037

BANKERS
Reserve Bank of India
Punjab National Bank

Registered-Cum-Corporate Office
5, Sansad Marg, New Delhi - 110001
Tel: 011 - 23325759, 23325779
E-mail: pnbgilts@pnbgilts.com
Website: www.pnbgilts.com

Ahmedabad
B-1108, Sunwest Bank, Near Vallabh
Sadan, City Gold Cinema, Ashram Road,
Ahmedabad - 380015
Tel : 079-49784246

We are located at :

Mumbai
2th Floor, PNB Pragati Tower,
Plot No. C-9, G-Block, Bandra kurla
Complex, Bandra (E), Mumbai-400 051
Tel: 022-65175000

Bangaluru
No. 28, 2nd Floor, Centenary Building,
M.G. Road, Bangaluru – 560 001
Tel: 080 – 2991 2211

Chennai
3rd floor, Rayala Towers, No. 158,
Mount road, Anna Salai,
Chennai - 600002
Tel : 044-25331750

Kolkata
13th floor, United Tower 11
Hemanta Basu Sarani,
Kolkata, West Bengal 700001
Tel : 033-22300247

Date: August 22, 2025

Folio No. / DP ID & Client ID:

Dear Shareholder,

Sub: Web-link of the 29th Annual Report for the Financial Year ended March 31, 2025

We are pleased to inform you that the 29th Annual General Meeting ("AGM") of the Company is scheduled to be held on Wednesday, September 17, 2025, at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the various circulars issued by MCA and SEBI from time to time.

The Notice of the 29th AGM, along with the Annual Report for the Financial Year 2024-25, is being sent electronically to members whose e-mail addresses are registered with the Share Transfer Agent (RTA) or the Depository Participants (DPs).

In terms of Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, in the absence of your email id registered with the RTA / Depository Participant, this letter is being sent to you to provide the web-link along with the path to access the Integrated Annual Report of the Company, which is given below. This is available at www.pnbgilts.com > Investor Relations>>> Annual Reports>>> Annual Report FY 2024-25.

Web-link: https://www.pnbgilts.com/uploads/financial_results/Annual_Report_2024-25.pdf

You are requested to update and complete your KYC* details with:

- Depository Participants (DPs), if shares held in electronic form.
- Company / Registrar and Transfer Agent ("RTA") through Service Request, if shares held in physical form.

**(including name, postal address, email ID, telephone/mobile numbers, PAN, mandates, nominations, power of attorney and Bank Details)*

Final Dividend 2024-25 and TDS related details	
Rate of dividend	₹1/- (10%) per equity share of face value of ₹10 /- each
Record Date	Wednesday, September 10, 2025
Payment Date	Within 30 days of the declaration in the AGM
Last date for submission of documents for tax exemption	September 10, 2025
Email ID for submission of the aforesaid documents for tax exemption	monika.kochar@pnbgilts.com

E-voting details	
Cut-off date to determine entitlement for e-voting	September 10, 2025
E-voting start date and time	September 13, 2025 (9:00 a.m. IST)
E-voting end date and time	September 16, 2025 (5:00 p.m. IST)

For any queries or further assistance on KYC updation, demat holders are requested to contact their respective Depository Participants and holders of physical folios are requested to reach out to the STA at helpdeskreply@mcsregistrars.com or at 011-41406149-52.

Unclaimed / Unpaid Dividend(s): You are requested to note that, Dividend(s), if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed Dividend(s) are also liable to be transferred to the demat account of the IEPF Authority. In view of this, you are requested to claim your Dividend(s) from the Company within the stipulated timeline. You may write to the Company's Share Transfer Agent i.e. MCS Share Transfer Agent Limited at 179-180, 3rd Floor, DSIDC Shed, Okhla Industrial Area, Phase-I, New Delhi – 110020 or e-mail at helpdeskreply@mcsregistrars.com, contact no.: 011-41406149-52 for assistance in this regard.

For PNB Gilts Limited

Sd/-
 (Monika Kochar)
 Company Secretary