

Scrip Code : PNBGILTS



August 21, 2014

Manager-Listing
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai-400 051

Fax No. 91-22- 265982 37 / 38 / 47 /48, 66418124 / 25 / 26

Sub:- Withdrawal of proposed item no. 14 as mentioned in the Notice of the Annual General Meeting of the Company dated July 4, 2014 for the financial year 2013-14

Dear Sir,

This is in continuation to the Notice dated July 4, 2014 with reference to the 18th Annual General Meeting of the Company which is scheduled to be held on Saturday, August 30, 2014 at 11:00 a.m. at Punjab National Bank Auditorium, Central Staff College, 8, Under Hill Road, Civil Lines, Delhi-110054 to transact the businesses set out therein. Ministry of Corporate Affairs (MCA) has vide its notification dated 14th August, 2014 amended Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, pursuant to which, requirement of obtaining prior approval of shareholders by way of special resolution for Related Party Transactions below the specified transactions limit has been dispensed with. The Related Party Transactions of the company as specified in Item No. 14 of the stated notice are below the specified transactions limit. Accordingly Item No. 14 of the Notice relating to Related Party Transactions thus stands withdrawn and e-voting/voting for the said item will not take place.

A copy of such resolution, which has been withdrawn, is attached herewith for your reference.

Please take the information in your records and we trust you will find the above in order.

Yours truly,

Thanking you
For PNB Gilts Limited


(Monika Kochar)
Company Secretary

Encl:a/a

9235, 74899DL1996PLC077126

5, Sansad Marg, New Delhi-110 001. Ph. : 23325759, 23325779, 23736584, Fax : 23325751, 23325763

E-mail : pnbgilts@ndb.vsnl.net.in Website : www.pnbgilts.com



(Subsidiary of Punjab National Bank)

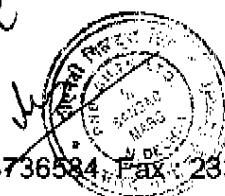
Item no. 14 as mentioned in the Notice of the Annual General Meeting of the Company dated July 4, 2014 for the financial year 2013-14

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules thereof (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into the following contracts and/or agreements and/or transactions with Related Parties as defined under the Act with respect to selling or otherwise disposing of, or leasing of property, with related parties, as per the details set out below."

Particulars of contracts/arrangements/transactions for the purpose of approval under Section 188 of the Companies Act, 2013		
Name and Nature of Relationship with related parties	Selling or otherwise disposing of property	Leasing of property
Punjab National Bank, promoter-cum-majority Shareholder (74.07% stake in PNB Gilts Ltd.)	Sale of residential flats of the Company at Ahmedabad (3 flats), Bangalore (2 flats) and Chennai (3 flats) shall be made on open auction basis. The related party, can thus purchase the flats only at the highest bid price.	a) Residential Premises of the Company - Rent of upto Rs. 25000/- p.m. each flat (including those which remain unsold) owned by the Company and given on lease to the related party or its officers at Scale IV and above. Lease period will be for 11 months and can be renewed thereafter on same terms and conditions. Repairs & Maintenance, taxes and levies etc. will be borne by the Company. Electricity charges will be borne by the tenant. Tenant can vacate the flat after giving 15 days' notice, whereas Company may ask for vacation of flat after serving one month's notice. b) Business Premises taken from PNB - (i) at Delhi at a rent of Rs. 283600/- p.m. (at present) plus service tax, under an agreement with PNB for a period of 11 months. (ii) at Mumbai at a rent of Rs. 218750/- p.m. (at present) plus service tax under an agreement with PNB for a period of 5 years. (iii) at Chennai under rent sharing arrangement with PNB at a rent of Rs. 16920/- p.m. (at present) plus service tax. Electricity & water consumption charges (except in case of Mumbai) shall be borne by the Company. Major structural repairs & maintenance charges of building shall be incurred by owner i.e. PNB. Above agreement/ arrangement can be renewed on same terms & conditions.
PNB Housing Finance Ltd, subsidiary co. of PNB	-do-	-

*Resolution No. 14
withdrawn*



CIN : L74899DL1998PLC077120

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PNB Investment Services Ltd, subsidiary co. of PNB	-do-	-
Principal PNB Asset Management Company Pvt. Ltd, Joint Venture of PNB	-do-	-
Principal Trustee Company Pvt. Ltd., Joint Venture of PNB	-do-	-
Asset Care & Reconstruction Enterprise Ltd., Joint Venture of PNB	-do-	-
PNB Metlife India Insurance Company Ltd., Joint Venture of PNB	-do-	-
Madhya Bihar Gramin Bank, Associate of PNB	-do-	-
Sarva Haryana Gramin Bank, Associate of PNB	-do-	-
Himachal Gramin Bank, Associate of PNB	-do-	-
Punjab Gramin Bank, Associate of PNB	-do-	-
Sarva UP Gramin Bank, Associate of PNB	-do-	-

"RESOLVED FURTHER THAT the Board of Directors of the Company [including its Committee(s)] be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")

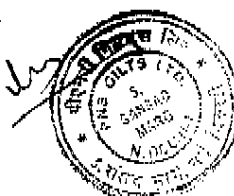
ITEM NO. 14

Pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, the Company can enter into transaction(s) or contract(s) etc., which are not in ordinary course of business and /or are not at arm's length basis, only with the approval of members accorded by way of special resolution.

Though your Company always seeks to enter into transactions in the ordinary course of business and at arm's length basis, it enters into a limited number of contracts/arrangements/transactions with its parent bank, Punjab National Bank for giving residential premises on lease to the parent bank or its officers and for taking business premises on lease from the parent bank. Since the company and the parent bank enter into these transactions due to their relationship and as a matter of policy, they do not enter into similar transactions with unrelated parties, demonstrable evidence of arm's length price of these transactions may not be available. Similarly, the company proposes to sell some of residential flats owned by it, through open auction bid, in which the parent bank or any other related party is also eligible to bid. Hence as a measure of abundant caution, your approval is sought under the provisions of the Companies Act, 2013.

Particulars of above transactions pursuant to para 3 of the Explanation to Rule 15 of Companies (Meetings of Board and Its Powers) Rules, 2014 are presently as under –

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PNB Housing Finance Ltd, subsidiary co. of PNB	-do-	-
PNB Investment Services Ltd, subsidiary co. of PNB	-do-	-
Principal PNB Asset Management Company Pvt. Ltd, Joint Venture of PNB	-do-	-
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Resolution withdrawn
No. 14

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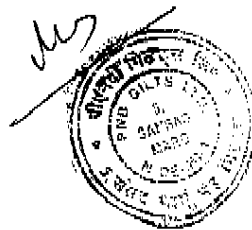
- a) Nature, material terms, monetary value and particulars of contract or arrangement : as mentioned in above table.
- b) Any advance paid or received for the contract or arrangement, if any : Nil
- c) Any other information relevant or important for the members to take decision on the proposed resolution : See the above table

The proposal outlined above is in the interest of the Company and the Board recommends the resolution set out in accompanying Notice as Special Resolution.

Members are hereby informed that pursuant to second provisio of Section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

Except Promoter nominated Directors (Sh. K. R. Kamath and Sh. P. K. Mohapatra), none of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the resolution set out at Item No. 14 of the Notice.

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