

NOTICE



PNB GILTS LTD.

CIN : L74899DL1996PLC077120

Regd. Office : 5, Sansad Marg, New Delhi - 110 001

Tel : 011-23325759, 23325779; Fax : 011-23325751, 23325763

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

Notice is hereby given that the 18th Annual General Meeting (AGM) of members of PNB Gilts Limited will 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 following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss Account ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend of Rs. 0.90 per Equity Share for the year ended March 31, 2014.
3. To appoint a Director in place of Sh. S. K. Dubey (holding DIN: 01770805), who retires by rotation and being eligible, offers himself for reappointment.
4. To authorise Board of Directors to fix remuneration of the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India by passing the following resolution, with or without modification :-
"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration of Statutory Auditors of the Company, as and when appointed by the Comptroller and Auditor General of India."

SPECIAL BUSINESS

5. To appoint Sh. P. K. Mohapatra (DIN: 02660553), as a Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-
"RESOLVED THAT pursuant to the provisions of Section 161 (corresponding to Section 260 of the Companies Act, 1956) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Sh. P. K. Mohapatra (holding DIN : 02660553), General Manager of Punjab National Bank, who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."
6. To appoint Sh. S.K. Dubey (DIN: 01770805) as the Managing Director, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-
"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) the consent of the members be and is hereby accorded to the re-appointment of Sh. S. K. Dubey (holding DIN: 01770805) as the "Managing Director" of the Company for a period effective from 1st February, 2014 to 30th June, 2015, on the terms and conditions as set out in the Explanatory Statement attached to the notice."

"RESOLVED FURTHER THAT the Board of Directors including its Committee(s), be and is hereby authorised to alter/ modify and vary such terms and conditions of appointment including remuneration, subject to the relevant provisions of the Companies Act, 2013 including Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956)."

7. To appoint Smt. Sunita Gupta (DIN: 06902258), as a Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Sunita Gupta (holding DIN : 06902258), SEVP & CFO of the Company, who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

8. To appoint Smt. Sunita Gupta, SEVP & CFO (DIN: 06902258) as the Whole-time Director, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED FURTHER that pursuant to the provisions of Sections 152, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Company, be and is hereby accorded to the appointment of Smt. Sunita Gupta (holding DIN : 06902258), SEVP & CFO as a Whole-time Director of the Company, designated as "Executive Director & Chief Financial Officer" for a period effective from 26th June, 2014 to 31st August, 2017, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice."

"RESOLVED FURTHER THAT the Board of Directors including its Committee(s), be and is hereby authorised to alter/ modify and vary such terms and conditions of appointment including remuneration, subject to the relevant provisions of the Companies Act, 2013 including Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956)."

9. To appoint Dr. O.P. Chawla (DIN: 00026712), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. O. P. Chawla (holding DIN: 00026712), Director of the Company, whose period of office is liable to retire by rotation under the erstwhile law and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th August, 2019, whose office shall not be liable to retire by rotation."

10. To appoint Dr. Kamal Gupta (DIN: 00038490) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Kamal Gupta (holding DIN: 00038490), Director of the Company, who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th August, 2019, whose office shall not be liable to retire by rotation."

11. To appoint Sh. S. K. Soni (DIN: 00046856) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-
- "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sh. S. K. Soni (holding DIN: 00046856), Director of the Company, who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th August, 2019, whose office shall not be liable to retire by rotation."
12. To appoint Sh. P. P. Pareek (DIN: 00615296) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-
- "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sh. P. P. Pareek (holding DIN: 00615296), Director of the Company, whose period of office is liable to retire by rotation under the erstwhile law and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th August, 2019, whose office shall not be liable to retire by rotation."
13. To increase the borrowing power and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
- "RESOLVED THAT in supersession of the Ordinary Resolution passed at the 16th Annual General Meeting held on 28th July, 2012 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors to borrow and raise such sum or sums of money from time to time as may be required for the purpose of the business of the Company, in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that total amount borrowed at any point of time, apart from temporary loans obtained/to be obtained by the Company from its bankers in the ordinary course of business, shall not be in excess of Rs. 5000 Crores over and above the aggregate of the paid up share capital and free reserves of the Company."
- "RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."
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.	<p>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.</p> <p>b) Business Premises taken from PNB -</p> <p>(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.</p> <p>(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.</p> <p>(iii) at Chennai under rent sharing arrangement with PNB at a rent of Rs. 16920/- p.m. (at present) plus service tax.</p> <p>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.</p>
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-	-
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."

By order of the Board

Date : July 4, 2014

Place : New Delhi

(Monika Kochar)

Company Secretary

Membership No. : F6514

Address : E-304, Surya Vihar,

Dundahera, Gurgaon - 122016

IMPORTANT NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company.

The instrument appointing proxy, duly completed, should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting. A proxy form for the AGM is at page no. 67 of Annual Report. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as may be applicable.

3. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 23rd August, 2014 to Saturday, 30th August, 2014 (both days inclusive) in connection with (a) AGM and (b) to determine the entitlement of shareholders to receive the Final Dividend for the Financial Year 2013-14, if declared at 18th AGM of the Company.
4. The Transfer Deed(s) along with Share Certificate(s) received upto Friday, 22nd August, 2014 i.e. the previous day of the opening of Book Closure Date shall be considered for entitlement of shareholders to receive the Final Dividend for FY 2013-14.
5. The dividend, as recommended by the Board, if declared, at the Annual General Meeting, will be paid within 30 days 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 on 22nd August, 2014 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 after giving effect to valid share transfers in physical form lodged with the Company on or before 22nd August, 2014.
6. Members holding shares in physical form are requested to notify the change of address (with pincode), dividend mandate, bank details (including complete details of bank account, branch & bank name, address of branch etc), nomination etc. quoting reference of their folio number to the Share Transfer Agents at the following address :

MCS Ltd (Unit - PNB Gilts Ltd.)

F-65, 1st Floor, Okhla Industrial Area

Phase - I, New Delhi-110 020

Tel : 011-41406149-52, Fax: 011-41709881, Email ID – mcsdel@vsnl.com

7. In case the mailing address mentioned on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request

received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Further, the members holding shares in the dematerialised mode may intimate all changes with respect to nomination, power of attorney, etc. to their depository participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to members.

9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment. None of Directors is related to any other Director.
10. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2013-14 is being sent in the permitted mode.
11. Electronic copy of the Notice of the 18th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 18th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with E-voting details is being sent in the permitted mode.
12. Members may also note that the Notice of the 18th Annual General Meeting and the Annual Report for 2013-14 will be available on the Company's website www.pnbgilts.com for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: m.kochar@pnbgilts.com.
13. The Company's shares are listed on BSE Ltd. and National Stock Exchange of India Ltd. The listing fees of these Exchanges have been paid on time.

14. E-COMMUNICATION FACILITY :

Shareholders are requested to avail E-Communication facility by registering their Email ID with MCS Ltd, Share Transfer Agent (in case the shareholding is in physical form) or with their Depository Participant (if the shareholding is in demat form) so as to enable the Company to send notice of AGM, Annual Report and such other important communication directly by e-mail. A format in this respect for shareholders holding shares in physical form is available at page no. 64 of Annual Report. Shareholders holding shares in demat form may also submit similar information to their Depository Participant to avail this facility.

15. NATIONAL ELECTRONIC CLEARING SERVICES (NECS)

The Reserve Bank of India has introduced National Electronic Clearing Services i.e. NECS to bring in further efficiency and uniformity in electronic credit and has instructed the banks to move to the NECS platform. The advantages of NECS over ECS (Electronic Clearing Services) include faster credit of remittance to beneficiary's account, wider coverage with no limitations of location in India besides ease of operations for remitting agencies.

NECS, for the purpose of centralised processing of instructions and efficiency in handling bulk transactions, is operational only for banks/bank branches leveraging on Core Banking Solution (CBS), which provide ten or more digit bank account numbers to its customers. Shareholders who wish to avail the NECS facility should therefore send the new bank account numbers, allotted by banks post implementation of CBS, to our Share Transfer Agents, MCS Ltd. by filling up the NECS Mandate Form where shares are held in physical form or to their Depository Participant (DP) where shares are held in electronic form, in the event they have not done so earlier. A format of NECS mandate form is also appended at page no. 65 of Annual Report. Shareholders are therefore requested to fill the same and submit to MCS Ltd. or to their DP, as the case may be.

16. 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., E-mail ID etc. Please refer page no. 25 and 26 of 'Report on Corporate Governance' section in Annual Report for detailed explanation/procedure.

17. REQUEST TO SHAREHOLDERS:

- a) Due to strict security reasons, Mobile Phones, brief cases, eatables and other belongings are not allowed inside the auditorium.
- b) Shareholders may kindly note that no gift /coupon will be distributed at the Annual General Meeting in view of the strict guidelines issued by SEBI in this regard.
- c) Shareholders are advised to bring their attendance slip along with the copy of the Annual Report, as the same will not be distributed at the venue of the Annual General Meeting.

18. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Clause 35B of Listing Agreement and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open email and then open PDF file viz; "PNB Gilts e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of PNB Gilts Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to stuti@indiaccp.com or evoting@pnbgilts.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. 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 Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 24th August, 2014 (9:00 a.m.) and ends on 26th August, 2014 (6:00 p.m). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting/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 of 18th July, 2014.
- VII. Advocate, Ms. Stuti Bansal (Bar Council Registration No. R/3847/2010) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the date of AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.pnbgilts.com and on the website of the NSDL within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to Stock Exchanges.
19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the company during normal business hours (9:30 a.m. to 5:30 p.m.) on all working days except Saturdays, upto and including the date of Annual General Meeting of the Company.

20. ATTENDANCE SLIP-CUM-ENTRY PASS

Shareholders/Proxies/Authorised Representatives are requested to affix their signatures at the space provided on the Attendance Slip-cum-Entry Pass and surrender the same at the AGM venue.

ANNEXURE TO NOTICE--

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

ITEM NO. 5

The Board in its meeting held on 10th August, 2013 appointed Sh. P. K. Mohapatra, General Manager and CFO of Punjab National Bank, as an Additional Director of the Company with effect from 10th August, 2013. Pursuant to Section 161 of the Companies Act, 2013, Sh. P. K. Mohapatra will hold office up to the date of ensuing AGM. The company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sh. P. K. Mohapatra for the office of Director.

Sh. P. K. Mohapatra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

Brief profile of Sh. P. K. Mohapatra, including nature of expertise, is provided at page no. 15 and 16 of the Notice.

Sh. K. R. Kamath, Chairman of the Company, being Chairman and Managing Director of the Punjab National Bank i.e. promoter-cum-majority shareholder (74.07%), may be deemed to be concerned or interested in the appointment of Sh. P. K. Mohapatra, who is also General Manager and CFO of Punjab National Bank. Further, Sh. P. K. Mohapatra, being an appointee, may also be deemed to be concerned or interested in this resolution.

Save and except the above, none of other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of members.

ITEM NO. 6

The Board of Directors in its meeting held on January 25, 2014, has, subject to the approval of members, re-appointed Sh. S. K. Dubey as Managing Director for a period effective from 1st February, 2014 to 30th June, 2015.

The terms and conditions of re-appointment of Sh. S. K. Dubey, Managing Director are given as under :

The Managing Director 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 of Sh. S. K. Dubey shall be governed by the provisions / service regulations of the Company as applicable to the Managing Director of the Company and any modifications, revision therein 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 salary, allowances and other perquisites of Sh. S. K. Dubey as approved by the Board in above said meeting are as under:

The total remuneration of Managing Director shall be Rs. 2.50 lac per month (However, this will include the pension of Rs. 42274/- p.m. being paid by PNB, bringing the effective Cost to the Company (CTC) at Rs. 207726/- per month). The breakup of effective CTC is as under-

1. Basic Pay : Rs. 95000/- p.m.
2. Special Allowance : Rs. 50000/- p.m.
3. Other Allowance : Rs. 20000/- p.m.
4. Accommodation : In case he opts for Company provided accommodation, an amount of Rs. 8000/- p.m. will be recovered from salary.
5. Other Allowances, facilities and perquisites:

1.	Entertainment Allowance	Rs. 7,900 p.m.
2.	Newspaper & periodicals	Rs. 711 p.m.
3.	Medical Reimbursement	Rs. 1,250 p.m.
4.	Updation allowance	Rs. 6,000 p.m.
5.	Telephone reimbursement	Rs. 5,000 p.m.
6.	Conveyance	Company car with driver will be provided. (For the purpose of calculation of CTC, notional amount has been taken at Rs. 7500/- per month).
7.	Conveyance allowance	Use of Company's car for official purpose will be considered as duty runs. Journey to and from residence will be treated official duty. For the purpose of calculation of CTC, cost of petrol will be treated as Rs. 7,000 p.m. Facility of personal use upto 3000 kms per half year, on payment of Rs. 150/- per km. for such use. For use beyond 3000 k.m., he shall be required to pay to the Company at the end of half year Rs. 3/- per km.
8.	Leave Travel Concession	Once in two years, he may travel to home town/anywhere in India by AC First class or air economy class for self and spouse. Cost of LTC has been calculated for two tickets to farthest point in India notionally at approx. Rs. 6,500 p.m for the purpose of encashment.
9.	Leave Encashment	Accumulated Privilege Leave can be got encashed at the time of availing/encashing LTC upto maximum of 15 days a year.
10.	Leave	As per Company rules
11.	Travel	He may travel by train AC 1st Class or by Air (Economy class)
12.	Annual Health check up	Annual Health check up for self and spouse at Company's cost (For the purpose of calculation of CTC, notional amount has been taken at Rs. 865/- per month)

The Managing Director shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or any committee or sub-committee thereof.

At present, he is one of the Key Managerial Personnel of the Company.

Sh. S. K. Dubey satisfies all the conditions set out in Part – I of Schedule V to the Act and also conditions set out under Section 196(3) of the Act for being eligible for his re-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.

Brief profile of Sh. S. K. Dubey, including nature of expertise, is provided at page no. 15 and 16 of the Notice.

Sh. S. K. Dubey, being an appointee, may be deemed to be interested or concerned in the Resolution at Item No. 6.

None of other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 6 of the Notice.

The above may be treated as written memorandum setting out the terms of re-appointment of Sh. S. K. Dubey under Section 190 of the Act.

The Board recommends the resolution set forth in Item No. 6 for the approval of members.

ITEM NO. 7

Section 149 of the Companies Act, 2013 requires each Listed Company to have atleast one woman director on its Board of Directors. Accordingly, the Board in its meeting held on 26th June, 2014 appointed Smt. Sunita Gupta, SEVP & CFO of the Company as an Additional Director of the Company with effect from 26th June, 2014. Pursuant to Section 161 of the Companies Act, 2013, Smt. Sunita Gupta will hold office up to the date of ensuing AGM. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Smt. Sunita Gupta for the office of Director.

Smt. Sunita Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director.

Brief profile of Smt. Sunita Gupta, including nature of expertise, is provided at page no. 15 and 16 of the Notice.

Except the appointee, none of other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item No. 7 for the approval of members.

ITEM NO. 8

The Board of Directors in its meeting held on 26th June, 2014, has subject to the approval of members appointed Smt. Sunita Gupta, SEVP & CFO as Whole time Director and designated her as "Executive Director & Chief Financial Officer" for a period effective from 26th June, 2014 to 31st August, 2017. A notice has been received from a member proposing Smt. Sunita Gupta as a candidate for the office of Director of the Company.

The terms and conditions of appointment of Smt. Sunita Gupta, Executive Director & Chief Financial Officer are given as under:

The Executive Director & Chief Financial Officer 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 her, from time to time, by the Board of Directors and the Managing Director of the Company. Her period of office shall be liable to retire by rotation.

The remuneration (CTC) of Smt. Sunita Gupta shall be same as applicable in SEVP cadre in the Company and the same shall be governed by the provisions / service regulations of the Company. The Board of Directors or Committee or delegation thereof may, in their discretion, revise/modify/alter any of the terms from time to time, within the limits stipulated under Schedule V of the Companies Act, 2013.

Subject to the aforesaid, the salary, allowances and other perquisites of Smt. Sunita Gupta as approved by the Board in above-said meeting is as under:

The total CTC of Smt. Sunita Gupta is Rs. 186194/- per month at present, breakup of which is as under-

1. Basic Pay	:	Rs. 92860/- p.m.
2. Special Allowance	:	Rs. 18572/- p.m.
3. Fixed Allowance	:	Rs. 11133/- p.m.

4. Other Allowances, facilities and perquisites:

1.	Reimbursement of Entertainment Allowance, Newspaper & periodicals, Medical Reimbursement, Updation allowance, Telephone/Mobile expenses	Rs. 23871 p.m.
2.	Conveyance	Company car with driver will be provided. (For the purpose of calculation of CTC, notional amount has been taken at Rs. 6000/- per month).
3.	Conveyance allowance	Use of Company's car for official purpose will be considered as duty runs. Journey to and from residence will be treated official duty. For the purpose of calculation of CTC, cost of petrol will be treated as Rs. 6,750/- p.m. Facility of personal use upto 3000 kms per half year, on payment of Rs. 150/- per km. for such use. For use beyond 3000 k.m., she shall be required to pay to the Company at the end of half year Rs. 3/- per km.
4.	Leave Travel Concession	Once in two years, she may travel to home town/anywhere in India by AC First class or air economy class for self, spouse and two dependents. Cost of LTC has been calculated for four tickets to farthest point in India notionally at approx. Rs. 13,000 p.m for the purpose of encashment.
5.	Leave Encashment	Accumulated Privilege Leave can be got encashed at the time of availing/encashing LTC upto maximum of 15 days a year.
6.	Leave	As per Company rules
7.	Travel	She may travel by train AC 1st Class or by Air (Economy class)
8.	Annual Health check up	Annual Health check up for self and spouse at Company's cost (For the purpose of calculation of CTC, notional amount has been taken at Rs. 865/- per month)
9.	Contribution to Provident Fund	12% of Basic Pay
10.	Gratuity and any other retirement benefits	As per Company rules

Executive Director & Chief Financial Officer shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or any committee or sub-committee thereof.

At present, she is one of the Key Managerial Personnel of the Company.

Smt. Sunita Gupta satisfies all the conditions set out in Part – I of Schedule V to the Act and also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 and 196 of the Act and has given her consent to act as Director.

Brief profile of Smt. Sunita Gupta, including nature of expertise, is provided at page no. 15 and 16 of the Notice.

Ms. Sunita Gupta, being an appointee, may be deemed to be interested or concerned in the Resolution at Item No. 8.

None of other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 8 of the Notice.

The above may be treated as written memorandum setting out the terms of appointment of Smt. Sunita Gupta under Section 190 of the Act.

The Board recommends the resolution set forth in Item No. 8 for the approval of members.

ITEM No. 9 to 12

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with Stock Exchanges, appointed Dr. O. P. Chawla, Dr. Kamal Gupta, Sh. S. K. Soni and Sh. P. P. Pareek, as Independent Directors at various times, in compliance with the requirement of the clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from April 1, 2014, read with clause 49 of the Listing Agreement, the Company being listed, is required to have atleast half of the total number of Directors as

Independent Directors, who will not be liable to retire by rotation.

Dr. O. P. Chawla, Dr. Kamal Gupta, Sh. S. K. Soni and Sh. P. P. Pareek, whose period of office is liable to retire by rotation under the erstwhile applicable provisions of the Companies Act, 1956, being eligible and seeking appointment, are proposed to be appointed as Independent Directors for 5 consecutive years for a term upto 29th August, 2019. A notice under Section 160 of the Act has been received from a member of the Company proposing them as candidates for the office of Director of the Company. All of them are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Director.

In the opinion of the Board, all of them fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder, for their appointment as an Independent Director of the Company and are independent of the management. Copy of draft letter of appointment of Independent Directors setting out the terms and conditions of their appointment would be available for inspection by members at the Registered Office of the Company during normal business hours on any working day (except Saturday).

A brief profile of the proposed Independent Directors, including nature of expertise, is provided at page no. 15 and 16 of the Notice.

The Board considers that their continued support and association would be of immense benefit to the Company and it is desirable to continue to avail the services of all of them as Independent Directors. Accordingly, the Board recommends the resolution set out at Item No. 9 to 12 in relation to appointment of Dr. O. P. Chawla, Dr. Kamal Gupta, Sh. S. K. Soni and Sh. P. P. Pareek as Independent Directors, for approval by the shareholders of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, other than the appointees for their respective appointment, are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 9 to 12 of the Notice.

ITEM NO. 13

The members of the Company at their 16th Annual General Meeting held on 28th July, 2012 approved by way of an Ordinary Resolution under erstwhile Section 293(1)(d) of the Companies Act, 1956, authorized the Board to borrow over and above the aggregate of paid-up share capital and free reserves of the Company, provided the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time, apart from temporary loans obtained in ordinary course of business, shall not be in excess of Rs. 5000 crore (Rupees Five Thousand Crore only).

However, as per the corresponding provisions of Section 180(1)(c) of the Companies Act, 2013, notified on 12th September, 2013, the Board of Directors shall not borrow money in excess of the aggregate of the Company's paid-up share capital and free reserves, apart from temporary loans obtained in the ordinary course of business from its bankers, except with consent of members accorded by way of Special Resolution.

Further, as per clarification issued by Ministry of Corporate Affairs, Govt. of India vide circular no. 4/2014 dated 25th March, 2014, the resolution passed under Section 293(1)(d) of the Companies Act, 1956 prior to 12th September, 2013 will be treated as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013, for a period of 1 year from the date of notification of said Section 180.

It is therefore necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, as set out at Item No. 13 of the Notice, to enable the Board of Directors to borrow money in excess of the paid-up share capital and free reserves of the Company. Approval of members is sought to borrow money upto Rs. 5000 crore in excess of the aggregate of paid-up share capital and free reserves of the Company, apart from temporary loans obtained in ordinary course of business.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 13 of the Notice.

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 –

Particulars of contracts/arrangements/transactions for approval under Section 188 of the Act		
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.	<p>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.</p> <p>b) Business Premises taken from PNB -</p> <p>(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.</p> <p>(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.</p> <p>(iii) at Chennai under rent sharing arrangement with PNB at a rent of Rs. 16920/- p.m. (at present) plus service tax.</p> <p>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.</p>
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-	-
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-	-

- 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 proviso 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.

Date: July 4, 2014

Place : New Delhi

By order of the Board

(Monika Kochar)

Company Secretary

Membership No. : F6514

Address : E-304, Surya Vihar,
Dundahera, Gurgaon - 122016

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, THE BRIEF PARTICULARS OF THE DIRECTORS TO BE APPOINTED/ RE-APPOINTED ARE AS UNDER:

Name of Director	Dr. O. P. Chawla	Dr. Kamal Gupta	Sh. S. K. Soni	Sh. P. P. Pareek	Sh. P. K. Mohapatra	Sh. S. K. Dubey	Smt. Sunita Gupta
Date of Birth	15/02/1934	12/02/1946	03/12/1936	01/10/1959	01/12/1956	16/12/1951	18/08/1957
Date of Appointment/ Reappointment on the Board	11/04/1996	11/04/1996	23/01/2002	10/02/2009	10/08/2013	03/06/2009	26/06/2014
Qualifications	M. Com, Ph.D	FCA, Ph.D	B.Sc., LL.B, CAIIB (I)	B.Com, LL.B, FCA	M.Sc., M. Phil	M.Sc., CAIIB	M.A. (Eco.), CAIIB
Expertise in Specific functional Area	He is an academician and having a vast experience in debt market. He is Ex-Director of NIBM, Pune	He is Former Technical Director of the Institute of Chartered Accountants of India. He is having rich experience in the field of finance, corporate laws etc.	He is former Chairman & Managing Director of Oriental Banking of Commerce. He is having rich experience in the field of HR, banking operations etc.	He is Sr. Partner in S. Bhandari & Co for last 31 years. He is having rich experience in corporate laws and finance etc.	He is GM-Finance and CFO, PNB and is having around 32 years of experience in senior capacities in PNB group especially in Treasury, Credit and Core Banking operations. During his assignments in PNB, he worked as Chief Executive Officer of Everest Bank Ltd., Nepal.	He is having rich experience of around 36 years in senior capacities in PNB group especially in treasury and international banking operations.	She is having vast experience in treasury operations. She has served as an Economist in PNB for around 17 years and having an experience of 15 years in the Company in various senior capacities.
Directorship held in other public Companies (excluding foreign and private companies)	Shree Ram Urban Infrastructure Ltd.	<ul style="list-style-type: none"> • AD Hydro Power Ltd. • Rajasthan Spinning & Weaving Mills Ltd. • HEG Ltd. • Maral Overseas Ltd. • Malana Power Company Ltd. • Bhilwara Energy Ltd. 	Uttam Value Steels Ltd	-	-	Primary Dealers' Association of India.	-
Chairman/ member of the Committee of the Board of Directors of the Company (only Audit Committee and Shareholders'/ Investors Grievance Committee)	Member - Audit Committee	<ul style="list-style-type: none"> • Chairman-Audit Committee • Member - Shareholders'/ Investors Grievance Committee 	<ul style="list-style-type: none"> • Member - Audit Committee • Chairman - Shareholders'/ Investors Grievance Committee 	Member - Audit Committee	Member - Audit Committee	Member - Shareholders'/ Investors Committee	-

Name of Director	Dr. O. P. Chawla	Dr. Kamal Gupta	Sh. S. K. Soni	Sh. P. P. Pareek	Sh. P. K. Mohapatra	Sh. S. K. Dubey	Smt. Sunita Gupta
Membership/ Chairmanship of Committee of other public Companies							
a) Audit Committee	Chairman - Shree Ram Urban Infrastructure Ltd.	<ul style="list-style-type: none"> Chairman- Rajasthan Spinning & Weaving Mills Ltd. Chairman-Maral Overseas Ltd Member-HEG Ltd. Member-Malana Power Company Ltd. Member-AD Hydro Power Ltd. 	-	-	-	-	-
b) Shareholders'/ Investors Grievance Committee	-	<ul style="list-style-type: none"> Chairman- Rajasthan Spinning & Weaving Mills Ltd. Chairman- Maral Overseas Ltd. Member-HEG Ltd. 	-	-	-	-	-
Number of Shares Held	Nil	Nil	Nil	1333	Nil	Nil	266
Relationship between Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil