

Annexure 1

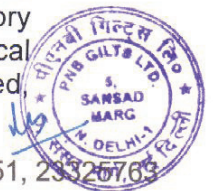
Certified true copy of special business passed at the 17th Annual General Meeting of the Company held on June 22, 2013 at 11:00 a.m. at Punjab National Bank Auditorium, Central Staff College, 8, Under Hill Road, Civil Lines, Delhi - 110054.

Issue of Bonus Shares :

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 1956, the provisions of the Articles of Association of the Company and recommendations of the Board of Directors, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the guidelines issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the Regulations) and subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities and also subject to such terms and conditions as may be specified while according such approvals, the consent of Members, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to Board, which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including but not limited to powers conferred by this resolution) to capitalize a sum not exceeding Rs. 45,00,25,340/- (Rupees Forty Five Crore Twenty Five Thousand Three Hundred and Forty only), out of balance standing to the credit of the Share Premium Account for the purpose of issue of Bonus Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names shall appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the ‘Record Date’ to be determined by the Board for the purpose, in the proportion of 1 (One) Bonus Equity Share of Rs. 10/- (Rupees Ten) each for every 3 (Three) fully paid-up Equity Share of Rs. 10/- (Rupees Ten) each held by them.”

“RESOLVED FURTHER THAT the new equity shares to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing equity shares including for the payment of dividend, if any, declared by the company any time after the allotment of aforesaid bonus shares.”

“RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.”



“RESOLVED FURTHER THAT no fractional entitlement shall be allotted to the Members and all fractional entitlements remaining after allotment of Bonus Shares as aforesaid shall be consolidated into fully paid-up bonus shares, rounded off to the next whole number, and which shall be allotted to an Independent Trustee, to be nominated by the Board. The said Trustee shall sell the same, in one or more tranches, at the prevailing market price(s) through the stock exchange(s) and pay to the Company net sale proceeds for distribution to the members in proportion to their fractional entitlements.”

“RESOLVED FURTHER THAT the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other foreign investors and / or distribution of net sale proceeds in respect of fractions to which such Members may be entitled shall be subject to the compliance under the applicable regulations under the Foreign Exchange Management Act, 1999, if required.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all the acts, deeds, matters and things, as may be necessary in the interest of the Company to give effect to this resolution, including but not limited to signing and execution of necessary deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard thereto.”

Certified True Copy

For PNB Gilts Ltd



(Monika Kochark)
Company Secretary

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Certified True Copy of the Explanatory Statement for the issuance of bonus equity shares pursuant to Section 173(2) of the Companies Act, 1956

Your company is pleased to share that during the fiscal 2012-13, it has posted good results and thus it is proposed to reward the shareholders in this successful value creation cycle of last 17 years. Accordingly, Board of Directors, in its meeting held on May 23, 2013, has recommended an issue of Bonus Shares in the proportion of 1:3 i.e. one new fully paid up equity share of Rs. 10/- each for every three fully paid up equity shares of Rs. 10/- each, to the eligible members of the company as on the Record Date to be fixed by the Board for this purpose. The Bonus Shares shall be issued pursuant to applicable provisions of the Companies Act, 1956, Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such other approvals, if any required, after capitalizing a sum not exceeding Rs. 45,00,25,340/- from the Company's Share Premium Account.

The Bonus Shares so allotted shall rank *pari passu* in all respects and carry the same rights as the existing fully paid-up equity shares of the Company and shall be entitled to participate in full in dividend declared, if any, for the financial year in which the Bonus shares are allotted.

No fractional entitlement shall be allotted to the Members and all fractional entitlements remaining after allotment of Bonus Shares as aforesaid shall be consolidated into fully paid-up bonus shares, which shall be allotted to an Independent Trustee, nominated by the Board. If any fractional entitlement arises post consolidation, the said fractional entitlement shall be rounded off to the next whole number. The said Trustee shall sell the same, in one or more tranches, at the prevailing market price(s) through the stock exchange(s) and pay to the Company net sale proceeds for distribution to the members in proportion to their fractional entitlements.

The Directors of the Company may be deemed to be concerned or interested in the issue of bonus shares to the extent of their respective holding in the company or to the extent of the shareholdings of the companies/institutions/trusts etc. of which they are directors or members or trustees etc, without any beneficial interest.

In terms of Articles of Association of the Company, any capitalization of Reserves will require the approval of shareholders to be obtained by way of an ordinary resolution. Accordingly, the Board commends the Ordinary Resolution as set out in the above Notice for your approval.

Certified true copy

For PNB Gilts Ltd.


Company Secretary



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