

MINUTE BOOK

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF PUNJAB NATIONAL BANK HELD ON THURSDAY, THE 19TH MARCH, 2015 AT 10.30 A.M. AT PUNJAB NATIONAL BANK AUDITORIUM, 8, UNDERHILL ROAD, CIVIL LINES, DELHI - 110054.

Present

1	Sh. Gauri Shankar	Managing Director & CEO
2	Sh. K.V.B. Rao	Executive Director
3	Dr. R.S. Sangapure	Executive Director
4	Sh. D.K. Singla	Shareholder Director

Members : 183 (in person)
Proxy : 1
Authorized representatives: 12
Total : 196

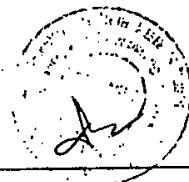
In Attendance:

Shri A. Gopinathan, Company Secretary

At the outset, Shri P.K. Mohapatra, General Manager, welcomed the shareholders to the Extraordinary General Meeting of the Bank and informed the schedule of the meeting. He also informed that the Managing Director & CEO, Shri Gauri Shankar shall preside over the meeting.

Later he requested MD & CEO, Executive Directors and other Directors on the dais to pay floral tributes to the Late Shri Lala Lajpat Rai, the freedom fighter and founder member of the Bank. Floral tributes were paid by the MD & CEO and all the directors.

Thereafter extending a warm welcome to the Shareholders and necessary quorum being present pursuant to Regulation 58 of the Punjab National Bank



MINUTE BOOK

Supra

(Shares and Meetings) Regulations, 2000, the MD & CEO called the meeting to order. He also introduced other Directors on the dais to the shareholders.

He informed that till 14.03.2015 being the last date for receipt of proxies, out of 05 proxies received, all the 05 proxies representing 1,15,31,460 Equity Shares constituting 0.64% of the Paid up Equity Capital of the Bank were found to be valid and in order.

He informed that Bank had received communication from the GoI authorizing Shri Ravinder Kumar, Section Officer, Department of Financial Services, Ministry of Finance, New Delhi to attend the meeting as its nominee and that he is present in the meeting. He added that the Central Government, the major shareholder, held 106,58,40,595 equity shares, representing 58.87% of the paid up Equity Share Capital of the Bank.

He also announced that Bank had received 12 letters appointing authorized representatives with 107,60,13,117 Equity Shares constituting 59.44% of the Paid up Equity Share Capital of the Bank for attending the meeting and all the letters were found valid and in order.

He informed that the Notice convening the Extraordinary General Meeting was published in Financial Express(English edition) & Jansatta (Hindi edition) on Wednesday, the 04.02.2015 and addendum notice on 14.02.2015, as required under Punjab National Bank (Shares & Meetings) Regulations, 2000. He further informed that the said notice and addendum contained 3 Agenda items –

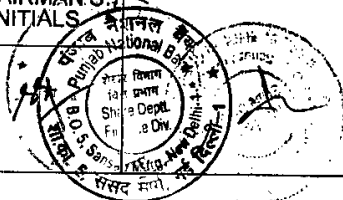
Agenda item No. 1- Election of Three Shareholder Directors of the Bank

Agenda item No. 2- Raising of Equity Capital of the Bank and

Agenda item No. 3- Infusion of capital funds by Government of India to the tune of Rs. 870 crores by way of preferential allotment.

MD & CEO informed that the agenda item no. 1 relating to election of shareholder directors was withdrawn as the Nomination Committee in its

CHAIRMAN'S
INITIALS



MINUTE BOOK

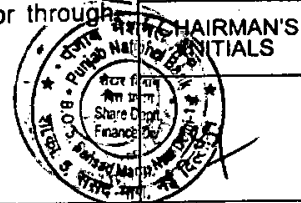
meeting held on 05.03.2015, inter-alia, observed that the RBI and Government of India guidelines on the need to have Board diversity will not be satisfied in letter and spirit if the current process for election of 3 shareholder directors is continued on the basis of the nominations received up to the last date for receipt of nominations i.e. 04.03.2015. He also informed that notice to this effect was also published in both Hindi and English newspaper on 08.03.2015 and also intimated to the Stock exchanges along with placing the same on bank's website. He also informed that the Bank shall call for fresh nominations for election of shareholder directors separately.

He informed that after Government of India communicated its decision to infuse capital funds to the tune of Rs. 870 crore in our Bank by way of preferential allotment of equity capital in favour of Govt. of India, ~~and~~ addendum dated 14.02.2015 to the EGM notice incorporating agenda item No.3 - issue of Equity shares on Preferential Basis to Government of India, was Issued which was also published in both English and Hindi newspapers on 17.02.2015. Both the EGM notice and addendum were submitted online to NSE and BSE. The addendum was placed on bank's website also.

Further, that the Notice for the Meeting along with addendum was e-mailed to those shareholders who had registered their e-mail address and to the remaining they were despatched through post-office before the statutory time limit and simultaneously the same was also hosted on the Bank's website www.pnbindia.in.

MD & CEO informed the shareholders that all the agenda items of the EGM are required to be passed by voting by the shareholders by means of special resolution and that in order to enable the shareholders to cast their vote, e-voting platform has been provided to them through CDSL e-voting platform. The e-voting platform was available from 12.03.2015 to 14.03.2015.

He further informed that the instructions for e-voting and user-ID and password for e-voting were sent to all the shareholders either through email or through



MINUTE BOOK

registered post along with notice of meeting and the shareholders who did not participate in the e-voting may cast their vote physically today through ballot paper.

He also informed the Shareholders that the Bank has appointed M/s Ashu Gupta and Co. as the scrutinizer and they shall prepare their report on voting and submit the same to the Bank and that Mr. Divesh Goyal, a shareholder has been appointed as the second scrutinizer.

Agenda item No.1 having been withdrawn the MD& CEO took up the remaining agenda items of the Meeting as under:

Item No. 2 -- Raising of Capital of the Bank

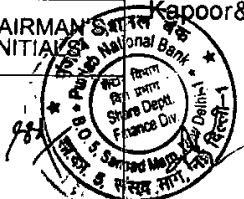
Agenda item for Issue, offer or allotment of by way of Follow on Public Offer QIP, Employee Stock Purchase Scheme, or any other mode or in combination thereof, with or without over allotment option at an appropriate time during the financial year 2015-16 for raising capital to shore up the CRAR of the Bank as per the Basel III requirements.

Item No. 3 -- Approval of Shareholders of issuance/allotment of Equity Shares in favour of Government of India on preferential basis

MD & CEO informed that in the addendum dated 14.02.2015 to the notice of EGM dated 02.02.2015, it was mentioned that proposed issuance / allotment will be on preferential basis of up to 4,42,07,317 Equity Shares of Rs.2/- each at a premium not less than Rs.194.80 per share in favour of Govt. of India, subject to shareholders' approval in the meeting / other approvals. The Relevant Date for determining the Issue Price was 16.02.2015 as per SEBI (ICDR) Regulations.

He further informed that the Bank has obtained certificate from M/s Ramesh Kapoor & Co., one of the Statutory Central Auditors of the Bank certifying

CHAIRMAN'S
INITIALS



MINUTE BOOK

correctness of the Issue Price of Rs. 196.80 per equity share and compliance with SEBI(ICDR) Regulations, 2009 and has also received "in principle" approval from BSE & NSE vide their letters both dated 27.02.2015, for the issue of 4,42,07,317 Equity Shares of Rs.2/- each at a premium not less than Rs.194.80 to Govt. of India on preferential basis in terms of Clause 24 (a) of the Listing Agreement.

He further informed that post issue shareholding of Govt. of India shall be 111,00,47,912 equity shares constituting 59.86% of the paid up capital as against 58.87% prior to the proposed allotment.

He further informed that the lock-in period of fresh shares issued in favour of govt. of India shall be of 3 years from the date of trading approval .

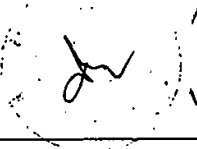

Before putting Resolutions to vote through the polling, the MD& CEO invited suggestions/queries, from the shareholders. He also set the ground rules for free and fair discussions.

The shareholders in general appreciated the performance of the Bank and also expressed satisfaction at the arrangements made for their reception and refreshments.

The following is the gist of queries raised by the shareholders and response of MD & CEO thereon.

S No	Shareholder's Query/Suggestion	MD/CEO reply
	Mr. Bhupinder Singh - Why the NPA has increased in the Bank.	MD & CEO informed that growing NPA is an industry phenomenon. Our Bank is one of the largest Public Sector Banks in the country and has been complying with asset classifications and provisions norms in terms of the RBI guidelines. While assuring the shareholders that there is no cause for concern, he informed

CHAIRMAN'S INITIALS

MINUTE BOOK

	<p>- Reasons for share price decline from Rs. 950/- to Rs. 170/-.</p> <p>- Why the bank has raised funds from Govt for increasing its Capital and not using its own funds when it has sufficient money.</p>	<p>that the bank is performing well in all other parameters including operating profit, cost to income ratio etc.</p> <p>- He further added that Bank has large exposure to infrastructure and power sectors and any upswing in the infra sector in the economy will help the bank improve the ratios.</p> <p>- The Bank has split the share in the ratio 1:5 in December 2014 and the price has come down proportionately to Rs.170 as on date. Share Price to book value of our bank - is 0.90 which is comparable to peer group banks.</p> <p>- He also informed that the price of shares is dependent on market conditions, FII inflows and other market forces.</p> <p>The government of India is infusing funds to recapitalize a few PSBs based on certain performance parameters and PNB is one of the Banks chosen by the Finance Ministry for infusion of capital. The banks need additional capital to meet the CRAR requirements as per Basel III norms.</p>
2	<p>A shareholder enquired about the a/c of Bhushan Steel Ltd. and likely loss to the Bank due to non recovery of loan amount.</p> <p>He also stated that more</p>	<p>MD & CEO informed that as per the Forensic audit conducted on this company there is no diversion of Bank's funds. PNB is one of the consortium member banks.</p> <p>MD & CEO clarified that the</p>

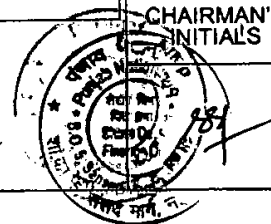
CHAIRMAN'S
INITIALS



MINUTE BOOK

	benefits are given to the employees compared to shareholders.	Employees are paid only salary and nothing else.
3.	<p>Bharat Bhushan Gupta - Demat account should be opened free of cost for shareholders.</p> <p>Audit & control in the Bank is weak.</p>	<p>MD & CEO assured the shareholder that the matter will be looked into.</p> <p>MD & CEO informed that Audit & control function is undertaken by the Insp. & Audit Division of the Bank which is headed by one independent General Manager. For the compliance of various rules and regulations the Bank has Chief Compliance Officer in the rank of General Manager.</p>
4.	<p>Ms. Maheshwari</p> <p>Despite maintaining balance up to Rs. 1.00 lac in the account, the Bank is charging DD charges which should be free.</p>	<p>MD & CEO assured to look into the matter. He, however, advised the shareholders to use alternate modes of remittances like NEFT/RTGS etc charges for which are free or nominal depending on the amount. He also informed that drafts are issued free of charge to students for payment of fees etc.</p>
5.	<p>RamjiLalChoudhary</p> <p>He submitted photocopies/papers of alleged fake documents, on the basis of which loan was raised by certain companies listed by him. He said that he had written numerous letters/e-mails.</p>	<p>MD & CEO informed that the Fraud and Risk Management Division of the Bank is looking into the matter.</p>
6.	<p>Rajiv Kumar Jain</p> <p>Bank provides Medi-claim Policy to its Account holders. Shareholders should also be given the same facility.</p>	<p>MD & CEO requested the shareholders to open their accounts with PNB to avail the facility. Bank has tie up with PNB Metlife Insurance and Oriental Insurance Co. for Life Insurance and Mediclaim Policy respectively.</p>

CHAIRMAN'S
INITIALS



MINUTE BOOK

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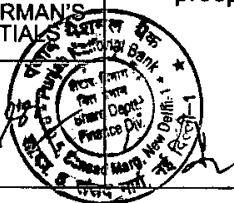
	<p>The Punjabi Bagh branch did not open his account without the Guarantor and with photo copy of Aadhaar Card and told me to bring original one.</p>	<p>MD and CEO informed that this may be a stray incident as customers generally get good service from the branches.</p> <p>He, however, informed that no Guarantor is required for opening SF account.</p> <p>MD & CEO requested the shareholders to send their grievances relating to banking operations to the Bank's Customer Care Centre, HO: Sansad Marg, New Delhi which is headed by a General Manager. He also informed that there are 4 Contact Centres, 69 Circle Offices headed by Circle Heads and 13 Field General Managers to resolve the complaints.</p>
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After responding to the observations made by the shareholders, MD& CEO moved the following resolutions under agenda item no. 2 & 3 of the notice for approval, taken as read.

Agenda ITEM 2

- I. **"RESOLVED THAT** pursuant to the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Act), The Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 (Scheme) and the Punjab National Bank (Shares and Meetings) Regulations, 2000 as amended from time to time and subject to the approvals, consents, permissions and sanctions, if any, of the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the Securities and Exchange Board of India ("SEBI"), and/or any other authority as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter called "the Board" which shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) to create, offer, issue and allot (including with provision for reservation on firm allotment and/or competitive basis of such part of issue and for such categories of persons as may be permitted by the law then applicable) by way of an offer document / prospectus or such other document, in India or

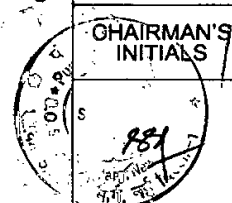
CHAIRMAN'S
INITIALS



MINUTE BOOK

abroad, such number of equity shares in accordance with the guidelines framed by SEBI/RBI etc. from time to time, up to such amount/s (as decided by the Board or Committee of the Board in such a way that the Central Government shall at all times hold not less than 52% of the paid-up Equity capital of the Bank, whether at a discount or premium to the market price, in one or more tranches, including to one or more of the members, employees of the Bank, Indian nationals, Non-Resident Indians ("NRIs"), Companies, private or public, investment institutions, Societies, Trusts, Research organizations, Qualified Institutional Buyers ("QIBs") like Foreign Institutional Investors ("FIIs"), Banks, Financial Institutions, Indian Mutual Funds, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors which are eligible to invest in equity shares of the Bank as per extant regulations/guidelines."

- II. "RESOLVED FURTHER THAT such issue, offer or allotment shall be by way of public issue, QIP, Employee Stock Purchase Scheme, with or without over-allotment option and that such offer, issue, placement and allotment be made as per the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and all other guidelines issued by the RBI, SEBI and any other authority as applicable, and at such time or times in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit."
- III. "RESOLVED FURTHER THAT the Board or the Committee of the Board constituted for the purpose shall have the authority to decide, at such price or prices and in such manner and where necessary, in consultation with the lead managers and /or underwriters and /or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide in terms of ICDR Regulations, other regulations, whether or not such investor(s) are existing members of the Bank, or employees of the Bank, at a price not less than the price as determined in accordance with relevant ICDR Regulations."
- IV. "RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the GOI/RBI/SEBI/Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting such approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board."
- V. "RESOLVED FURTHER THAT the issue and allotment of new equity shares, if any, to NRIs, FIIs and/or other eligible foreign investments be subject to the approval of the RBI under the Foreign Exchange



MINUTE BOOK

Management Act, 1999 as may be applicable but within the overall limits set forth under the Act."

- VI. "RESOLVED FURTHER THAT the said new equity shares to be issued shall be subject to the PNB (Shares and Meetings) Regulations, 2000, as amended, and shall rank in all respects *pari passu* with the existing equity shares of the Bank and shall be entitled to dividend declared, if any, in accordance with the statutory guidelines that are in force at the time of such declaration."
- VII. "RESOLVED FURTHER THAT for the purpose of giving effect to issue or allotment of equity shares/securities, the Board be and is hereby authorized to determine the terms of the public offer, including the class of investors to whom the securities are to be allotted, including to employees under ESPS, the number of shares/securities to be allotted in each tranche, issue price, premium on issue as the Board in its absolute discretion deems fit in terms of ICDR Regulations and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the Board vide this resolution may be exercised by the Board."
- VIII. "RESOLVED FURTHER THAT such of these shares / securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law."
- IX. "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 deems necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the issue of the shares/securities and further to do all such acts, deeds, matters and things, finalize and execute all documents and writings as may be necessary, desirable or expedient as it may in its absolute discretion deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders or authorize to the end and intent, that the shareholders shall be deemed to have given their approval thereto expressly by the authority of the Resolution."
- X. "RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Chairman/ Managing Director or to the Executive Director(s) or to Committee of Directors or such other officer (s) of the Bank as it may deem fit to give effect to the aforesaid Resolutions."

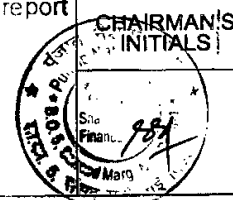


MINUTE BOOK

Agenda Item No. (3) - Issue of equity shares on preferential basis.

- I. "RESOLVED THAT pursuant to the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (hereinafter referred to as the 'Act') read with The Nationalized Banks (Management & Miscellaneous Provisions) Scheme 1970 (hereinafter referred to as the 'Scheme') and Punjab National Bank (Shares and Meetings) Regulations, 2000 (hereinafter referred to as the 'Regulations') and subject to the approvals, consents, sanctions, if any, of Reserve Bank of India (RBI), Government of India (GOI), Securities and Exchange Board of India (SEBI), and / or any other authority as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank and subject to SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and regulations prescribed by RBI and all other relevant authorities from time to time and subject to the Listing Agreements entered into with the Stock Exchanges where the equity shares of the Bank are listed, consent of the shareholders of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter called the "Board" which shall be deemed to include a committee which the Board may have constituted or / may constitute, to exercise its powers including the powers conferred by this resolution) to create, offer, issue and allot up to 4,42,07,317 Equity Shares of face value of Rs.2/- each to GOI on preferential basis at a premium of Rs. 194.80 per equity share i.e. at a price of Rs. 196.80 per equity share not exceeding Rs.870 crores determined by the Board in accordance with Regulation 76(1) of SEBI ICDR Regulations.
- II. "RESOLVED FURTHER THAT the Board shall have authority and power to accept any modification in the proposal as may be required or imposed by the GoI / RBI / SEBI / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions and sanctions to issue, allotment and listing thereof and as agreed to by the Board."
- III. "RESOLVED FURTHER THAT the said equity shares to be issued and allotted on preferential basis in pursuance of this Resolution shall be issued in dematerialized form and shall be subject to lock-in requirements required under Chapter VII of the "SEBI ICDR Regulations" and shall rank *pari passu* in all respects (including dividend declared, if any) with the existing equity shares of the Bank in accordance with the statutory guidelines that are in force at the time of such declaration."

He informed that those shareholders who have not cast their e-vote and who are given ballot paper may proceed to the polling booth to cast their vote "for" or "against" the resolutions. He informed that Scrutineer's report



MINUTE BOOK

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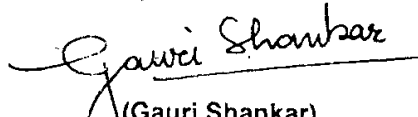
on the final result shall be uploaded in the websites of Stock Exchanges and the Bank within 48 hours of this meeting. The MD & CEO informed that the meeting shall be closed after completion of the polling.

Conclusion of Meeting

There being no other business, MD& CEO concluded the meeting and thanked the shareholders present, members on the Board, NSE, BSE, SEBI, RBI, Ministry of Finance and staff of the Bank, for their active participation and support.



(A Gopinathan)
COMPANY SECRETARY



(Gauri Shankar)
MANAGING DIRECTOR & CEO



CHAIRMAN'S
INITIALS

