

**Quarterly Compliance Report on Corporate Governance**  
**for the quarter ended 31<sup>st</sup> December, 2011**

| <b>Particulars</b>  | <b>Clause of Listing Agreement</b> | <b>Compliance Status (Yes/No)</b> | <b>Remarks</b>                              |
|---|------------------------------------|-----------------------------------|---|
| <b>I. Board of Directors</b>  | 49 I                               |                                   |   |
| (A) Composition of Board  | 49(IA)                             | Yes                               |   |
| (B) Non-executive Directors' compensation & disclosures                 | 49(IB)                             | Yes                               |   |
| (C) Other provisions as to Board and Committee                          | 49(IC)                             | Yes                               |   |
| (D) Code of conduct   | 49(ID)                             | Yes                               |   |
| <b>II. Audit Committee</b>  | 49(II)                             |                                   |   |
| (A) Qualified & Independent Audit Committee                             | 49(IIA)                            | Yes                               |   |
| (B) Meeting of Audit Committee  | 49(IIB)                            | Yes                               |   |
| (C) Powers of Audit Committee   | 49 (IIC)                           | Yes                               |   |
| (D) Role of Audit Committee   | 49(IID)                            | Yes                               |   |
| (E) Review of Information by Audit Committee                            | 49(IIE)                            | Yes                               |   |
| <b>III. Subsidiary Companies</b>  | 49 (III)                           | N.A                               | PNB Gilts Ltd. does not have any subsidiary |
| <b>IV. Disclosures</b>  | 49(IV)                             |                                   |   |
| (A) Basis of related party transactions                                 | 49(IVA)                            | Yes                               |   |
| (B) Disclosure of Accounting Treatment                                  | 49(IVB)                            | N.A.                              |   |
| (C) Board Disclosures   | 49(IVC)                            | Yes                               |   |
| (D) Proceeds from public issues, right issues, preferential issues etc. | 49(IVD)                            | N.A                               |   |
| (E) Remuneration to Directors   | 49(IVE)                            | Yes                               |   |
| (F) Management  | 49(IVF)                            | Yes                               |   |
| (G) Shareholders  | 49(IVG)                            | Yes                               |   |
| <b>V. CEO/CFO Certification</b>   | 49(V)                              | Yes                               |   |
| <b>VI. Report on Corporate Governance</b>                               | 49(VI)                             | Yes                               |   |
| <b>VII. Compliance</b>  | 49(VII)                            | Yes                               |   |